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

FORM 10-Q

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

For the quarterly period ended June 30, 2016

OR

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

For the transition period from to
001-33071
(Commission File Number)

EHEALTH, INC.

(Exact name of registrant as specified in its charter)

Delaware	**56-2357876**
(State or other jurisdiction of incorporation or organization)	(I.R.S Employer Identification No)

440 EAST MIDDLEFIELD ROAD
MOUNTAIN VIEW, CALIFORNIA 94043
(Address of principal executive offices)

(650) 584-2700
(Registrant's telephone number, including area code)
Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☒ NO ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES ☒ NO ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). YES ☐ NO ☒

The number of shares of the registrant's common stock, par value $0.001 per share, outstanding as of August 1, 2016 was 18,326,932 shares.

EHEALTH, INC. FORM 10-Q

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PART I
FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

EHEALTH, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	December 31, 2015	June 30, 2016
Assets	(Note 1)	(unaudited)
Current assets:		
Cash and cash equivalents	$ 62,710	$ 66,714
Accounts receivable	9,647	13,931
Prepaid expenses and other current assets	5,185	5,401
Total current assets	77,542	86,046
Property and equipment, net	7,364	6,687
Other assets	4,697	4,024
Intangible assets, net	9,620	9,100
Goodwill	14,096	14,096
Total assets	$ 113,319	$ 119,953
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 3,012	$ 2,344
Accrued compensation and benefits	14,386	8,499
Accrued marketing expenses	10,698	1,676
Deferred revenue	392	507
Accrued restructuring charges	223	68
Other current liabilities	3,225	5,058
Total current liabilities	31,936	18,152
Non-current liabilities	4,962	4,704
Stockholders' equity:		
Common stock	29	29
Additional paid-in capital	266,699	269,824
Treasury stock, at cost	(199,998)	(199,998)
Retained earnings	9,498	27,056
Accumulated other comprehensive income	193	186
Total stockholders' equity	76,421	97,097
Total liabilities and stockholders' equity	$ 113,319	$ 119,953

The accompanying notes are an integral part of these condensed consolidated financial statements.

EHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands, except per share amounts, unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Revenue				
Commission	$ 37,396	$ 34,649	$ 95,215	$ 104,036
Other	2,498	2,628	5,967	7,085
Total revenue	39,894	37,277	101,182	111,121
Operating costs and expenses:				
Cost of revenue	670	533	3,084	2,717
Marketing and advertising	9,285	12,936	34,736	33,818
Customer care and enrollment	7,658	10,411	19,519	20,610
Technology and content	8,591	8,289	19,364	16,796
General and administrative	7,516	10,815	15,489	18,944
Restructuring charges (benefit)	58	(158)	4,541	(158)
Amortization of intangible assets	288	260	633	520
Total operating costs and expenses	34,066	43,086	97,366	93,247
Income (loss) from operations	5,828	(5,809)	3,816	17,874
Other expense, net	(9)	(21)	(23)	(32)
Income (loss) before provision (benefit) for income taxes	5,819	(5,830)	3,793	17,842
Provision (benefit) for income taxes	69	(5,354)	125	284
Net income (loss)	$ 5,750	$ (476)	$ 3,668	$ 17,558
Net income (loss) per share:				
Basic	$ 0.32	$ (0.03)	$ 0.20	$ 0.96
Diluted	$ 0.32	$ (0.03)	$ 0.20	$ 0.96
Weighted-average number of shares used in per share amounts:				
Basic	17,967	18,258	17,906	18,206
Diluted	18,035	18,258	17,998	18,296
Comprehensive income (loss):				
Net income (loss)	$ 5,750	$ (476)	$ 3,668	$ 17,558
Foreign currency translation adjustment	4	4	5	(7)
Comprehensive income (loss)	$ 5,754	$ (472)	$ 3,673	$ 17,551

The accompanying notes are an integral part of these condensed consolidated financial statements.

EHEALTH, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands, unaudited)

	Six Months Ended June 30,	
	2015	**2016**
Operating activities		
Net income	$ 3,668	$ 17,558
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	2,108	1,934
Amortization of internally-developed software	318	435
Amortization of book-of-business consideration	1,991	1,603
Amortization of intangible assets	633	520
Stock-based compensation expense	3,858	4,009
Deferred rent and other	28	(53)
Changes in operating assets and liabilities:		
Accounts receivable	(1,955)	(4,284)
Prepaid expenses and other assets	(243)	(568)
Accounts payable	(3,895)	(630)
Accrued compensation and benefits	159	(5,887)
Accrued marketing expenses	(6,996)	(9,022)
Deferred revenue	(432)	115
Accrued restructuring charges	569	(287)
Other liabilities	1,736	1,813
Net cash provided by operating activities	1,547	7,256
Investing activities		
Purchases of property and equipment and other assets	(1,432)	(2,318)
Net cash used in investing activities	(1,432)	(2,318)
Financing activities		
Net proceeds from exercise of common stock options	1,049	60
Cash used to net-share settle equity awards	(736)	(944)
Principal payments in connection with capital leases	(40)	(43)
Net cash provided by (used in) financing activities	273	(927)
Effect of exchange rate changes on cash and cash equivalents	9	(7)
Net increase in cash and cash equivalents	397	4,004
Cash and cash equivalents at beginning of period	51,415	62,710
Cash and cash equivalents at end of period	$ 51,812	$ 66,714

The accompanying notes are an integral part of these condensed consolidated financial statements.

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 - Summary of Business and Significant Accounting Policies

Description of Business—eHealth, Inc. (the "Company," "eHealth," "we" or "us") is the leading private online source of health insurance for individuals, families and small businesses in the United States. Through our website addresses (*www.eHealth.com*, *www.eHealthInsurance.com*, *www.eHealthMedicare.com*, *www.Medicare.com* and *www.PlanPrescriber.com)*, consumers can get quotes from leading health insurance carriers, compare plans side-by-side, and apply for and purchase Medicare-related, individual and family, small business and ancillary health insurance plans. We actively market the availability of Medicare-related insurance plans and offer Medicare plan comparison tools and educational materials for Medicare-related insurance plans, including Medicare Advantage, Medicare Supplement and Medicare Part D prescription drug plans. Our ecommerce technology also enables us to deliver consumers' health insurance applications electronically to health insurance carriers. We are licensed to market and sell health insurance in all 50 states and the District of Columbia.

Basis of Presentation—The accompanying condensed consolidated balance sheet as of June 30, 2016, the condensed consolidated statements of comprehensive income (loss) for the three and six months ended June 30, 2015 and 2016 and the condensed consolidated statements of cash flows for the six months ended June 30, 2015 and 2016, respectively, are unaudited. The condensed consolidated balance sheet data as of December 31, 2015 was derived from the audited consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2015, which was filed with the Securities and Exchange Commission on March 14, 2016. The accompanying statements should be read in conjunction with the audited consolidated financial statements and related notes contained in our Annual Report on Form 10-K.

The accompanying condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP, for interim financial information. Accordingly, they do not include all of the financial information and footnotes required by U.S. GAAP for complete financial statements. The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2015, and include all adjustments necessary for the fair presentation of eHealth's financial position as of June 30, 2016, its results of operations for the three and six months ended June 30, 2015 and 2016 and its cash flows for the six months ended June 30, 2015 and 2016. All adjustments are of a normal recurring nature. The results for the three and six months ended June 30, 2016 are not necessarily indicative of the results to be expected for any subsequent period or for the fiscal year ending December 31, 2016.

In connection with the recent changes in our senior management and a strategic review of our business, we recorded approximately $4.0 million of operating expenses in the three months ended June 30, 2016, of which $3.4 million is included in general and administrative expenses and $0.6 million is included in marketing and advertising expenses in the accompanying condensed consolidated statements of comprehensive income (loss).

Seasonality—The majority of our Medicare-related health insurance plans are sold in our fourth quarter during the Medicare annual enrollment period when Medicare-eligible individuals are permitted to change their Medicare Advantage and Medicare Part D prescription drug coverage for the following year. Additionally, substantially all of the Medicare Advantage and Medicare Part D prescription drug policies we have sold renew on January 1 of each year, resulting in our recognizing substantially all renewal Medicare Advantage and Medicare Part D prescription drug plan commission revenue in our first quarter. Our Medicare plan-related commission revenue is highest in our first quarter and is higher in our fourth quarter compared to our second and third quarters.

The majority of our individual and family health insurance plans are sold in the annual open enrollment period as defined under the federal Patient Protection and Affordable Care Act and related amendments in the Health Care and Education Reconciliation Act. Individuals and families generally are not able to purchase individual and family health insurance outside of these open enrollment periods, unless they qualify for a special enrollment period as a result of certain qualifying events, such as losing employer-sponsored health insurance or moving to another state.

Recent Accounting Pronouncements—In August 2015, the Financial Accounting Standard Board ("FASB") issued Accounting Standards Update ("ASU") No. 2015-14 (ASU 2015-14) "Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date." ASU 2015-14 defers the effective date by one year of ASU No. 2014-09, "Revenue from Contracts with Customers." ASU 2014-09 supersedes the revenue recognition requirements in "Revenue Recognition (Topic 605)" and requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services. In accordance

with the deferral, the new standard is effective for annual reporting periods beginning after December 15, 2017, including interim periods within that reporting period and can be adopted using either a full retrospective or modified retrospective approach. Early adoption is permitted for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. We are currently in the process of evaluating the impact of the adoption of ASU 2014-09 on our consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02 (ASU 2016-02) "Leases (Topic 842). "ASU 2016-02 requires lessees to put leases on their balance sheets but recognize expenses on their income statements; for lessors, the guidance modifies the classification criteria and the accounting for sales-type and direct finance leases. The guidance also eliminates existing real estate-specific provisions for all entities. The new standard is effective for annual reporting periods beginning after December 15, 2018, including interim periods within that reporting period. Early adoption is permitted. We are currently in the process of evaluating the impact of the adoption of ASU 2016-02 on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-08 (ASU 2016-08) "Revenue from Contracts with Customers (Topic 606)." ASU 2016-8 requires an entity to determine whether it is a principal or an agent in a transaction in which another party is involved in providing goods or services to a customer by evaluating the nature of its promise to the customer. The new standard is effective for annual reporting periods beginning after December, 15 2017, including interim periods within that reporting period. Early adoption is permitted for annual reporting periods beginning after December 15, 2016, including interim periods within that reporting period. We are currently in the process of evaluating the impact of the adoption of ASU 2016-08 on our consolidated financial statements.

In April 2016, the FASB issued ASU No. 2016-10 (ASU 2016-10), "Identifying Performance Obligations and Licensing." ASU 2016-10 provides guidance in identifying performance obligations and determining the appropriate accounting for licensing arrangements. The effective date and transition requirements for the amendments in this ASU are the same as the effective date and transition requirements in Topic 606 (and any other Topic amended by ASU 2014-09). We are currently in the process of evaluating the impact of the adoption of ASU 2016-10 on our consolidated financial statements.

Recently Adopted Accounting Standards — In April 2015, the FASB issued ASU No. 2015-05 (ASU 2015-05), "Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement." ASU 2015-05 provides guidance to clarify the customer's accounting for fees paid in a cloud computing arrangement. It is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted, including adoption in an interim period. We adopted this standard prospectively in the first quarter of 2016. Prior periods were not adjusted. The adoption of this standard did not have a material effect on our consolidated financial statements.

In March 2016, the FASB issued ASU No. 2016-09 (ASU 2016-09), "Improvements to Employee Share-Based Payment Accounting (Topic 718)." ASU 2016-09 simplifies various aspects related to how share-based payments are accounted for and presented in the consolidated financial statements. The amendments include income tax consequences, the accounting for forfeitures, the classification of awards as either equity or liabilities and the classification on the statement of cash flows. It is effective for the first interim period beginning after December 15, 2016 and early adoption is permitted. We adopted this standard in the first quarter of 2016. Under ASU 2016-09, eHealth classifies the excess income tax benefits from stock-based compensation arrangements as a discrete item within income tax expense, rather than recognizing such excess income tax benefits in additional paid-in capital. As required by ASU 2016-09, this guidance was applied using a modified retrospective transition method and was effective as of January 1, 2016. The adoption of this guidance did not have a material effect to retained earnings or other components of equity or net assets at the beginning of the period of adoption. Under ASU 2016-09, excess income tax benefits from stock-based compensation arrangements are classified as cash flows from operations rather than as cash flows from financing activities. We have elected to apply the cash flow classification guidance of ASU 2016-09 prospectively for the period ended June 30, 2016. Prior periods were not adjusted. Under ASU 2016-09, when shares are withheld from an employee's exercise of stock awards to fund our payment of the employee's taxes, the payment is classified as a financing activity. The adoption of this provision did not have a material effect on the cash flow statements from prior periods. In addition, we have elected to continue to estimate the number of stock-based awards expected to vest, as permitted by ASU 2016-09, rather than electing to account for forfeitures as they occur.

Note 2 – Balance Sheet Accounts

Cash and Cash Equivalents—As of December 31, 2015 and June 30, 2016, our cash equivalents consisted of money market accounts that invested in U.S. government-sponsored enterprise bonds and discount notes, U.S. government treasury bills and notes and repurchase agreements collateralized by U.S. government obligations. At December 31, 2015 and June 30, 2016, our cash equivalents carried no unrealized gains or losses and we did not realize any significant gains or losses on sales of cash equivalents during the three and six months ended June 30, 2015 and 2016.

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

As of December 31, 2015 and June 30, 2016, our cash and cash equivalent balances were invested as follows (in thousands):

	December 31, 2015	June 30, 2016
Cash	$ 8,086	$ 7,066
Money market funds	54,624	59,648
Total cash and cash equivalents	$ 62,710	$ 66,714

Our money market funds reflect unadjusted quoted prices in active markets for identical assets and are classified as Level 1 as of December 31, 2015 and June 30, 2016.

Accounts Receivable—As of December 31, 2015 and June 30, 2016, our accounts receivable consisted of the following (in thousands):

	December 31, 2015	June 30, 2016
Commission receivable	$ 6,136	$ 1,520
Accounts receivable—from other revenues	3,511	1,192
Commissions receivable—from Medicare renewals	—	11,219
Total accounts receivable	$ 9,647	$ 13,931

Note 3 – Stockholders' Equity

Stock Plans—The following table summarizes activity under our 2014 Equity Incentive Plan, 2006 Equity Incentive Plan, 1998 Stock Plan and 2005 Stock Plan (collectively, the "Stock Plans") (in thousands):

	Shares Available for Grant
Shares available for grant December 31, 2015	3,542
Restricted stock units granted	(354)
Options granted	(326)
Restricted stock units cancelled (1)	137
Options cancelled (2)	3
Shares available for grant June 30, 2016	3,002

(1) Restricted stock units cancelled does not include restricted stock units cancelled under the 2006 Equity Incentive Plan, as our 2006 Equity Incentive Plan has been terminated with respect to the grant of additional awards.

(2) Options cancelled does not include stock options cancelled under the 2006 Equity Incentive Plan, as our 2006 Equity Incentive Plan has been terminated with respect to the grant of additional awards.

We maintain our 2006 Equity Incentive Plan, 2005 Stock Plan and 1998 Stock Plan, under which we previously granted options to purchase shares of our common stock and restricted stock units. The 2006 Equity Incentive Plan was terminated with respect to the grant of additional awards on June 12, 2014, upon adoption of our 2014 Equity Incentive Plan. The 2005 Stock Plan and 1998 Stock Plan were terminated with respect to the grant of additional awards upon the effectiveness of the 2006 Equity Incentive Plan. We will continue to issue new shares of common stock upon vesting of restricted stock units and the exercise of stock options previously granted under the 2006 Equity Incentive Plan, 2005 Stock Plan and 1998 Stock Plan.

The following table summarizes stock option activity under the Stock Plans (in thousands, except per share amounts and weighted-average remaining contractual life data):

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

	Number of Stock Options (1)	Weighted- Average Exercise Price	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (2)
Balance outstanding at December 31, 2015	1,275	$ 18.79	2.79	$ —
Granted	326	$ 13.21		
Exercised	(5)	$ 12.98		
Cancelled	(175)	$ 16.61		
Balance outstanding at June 30, 2016	1,421	$ 17.80	2.91	$ 527
Vested and expected to vest at June 30, 2016	1,366	$ 17.95	2.77	$ 485
Exercisable at June 30, 2016	963	$ 18.95	1.56	$ 183

(1) Includes certain stock options with both service and market-based vesting criteria granted to our executive officers.

(2) The aggregate intrinsic value is calculated as the difference between eHealth's closing stock price as of December 31, 2015 and June 30, 2016 and the exercise price of in-the-money options as of those dates.

The following table summarizes restricted stock unit activity, including performance-based and market-based restricted stock unit activity, under the Stock Plans (in thousands, except per share amounts and weighted-average remaining contractual life data):

	Number of Restricted Stock Units (1)	Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (2)
Balance outstanding as of December 31, 2015	966	$ 15.62	2.83	$ 9,636
Granted	354	$ 11.21		
Vested	(262)	$ 19.12		
Cancelled	(139)	$ 10.75		
Balance outstanding as of June 30, 2016	919	$ 14.41	3.02	$ 12,888

(1) Includes certain restricted stock units with both service and performance-based or market-based vesting criteria granted to our executive officers.

(2) The aggregate intrinsic value is calculated as eHealth's closing stock price as of December 31, 2015 and June 30, 2016 multiplied by the number of restricted stock units outstanding as of December 31, 2015 and June 30, 2016, respectively.

Stock Repurchase Programs—We had no stock repurchase activity during the three and six months ended June 30, 2016. In addition to 10,663,888 shares repurchased under our past repurchase programs as of June 30, 2016, we have in treasury 443,964 shares that were previously surrendered by employees to satisfy tax withholdings due in connection with the vesting of certain restricted stock units. As of December 31, 2015 and June 30, 2016, we had a total of 11,025,933 shares and 11,107,852 shares, respectively, held in treasury.

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

The following table summarizes stock-based compensation expense recorded during the three and six months ended June 30, 2015 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Stock options	$ 371	$ 308	$ 833	$ 634
Restricted stock units	1,456	1,869	3,025	3,375
Total stock-based compensation expense	$ 1,827	$ 2,177	$ 3,858	$ 4,009

The following table summarizes stock-based compensation expense by operating function for the three and six months ended June 30, 2015 and 2016 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Marketing and advertising	$ 446	$ 417	$ 1,037	$ 972
Customer care and enrollment	139	147	256	270
Technology and content	511	473	946	908
General and administrative	731	1,140	1,506	1,859
Restructuring charges	—	—	113	—
Total stock-based compensation expense	$ 1,827	$ 2,177	$ 3,858	$ 4,009

Note 4 – Income Taxes

The following table summarizes our provision (benefit) for income taxes and our effective tax rates for the three and six months ended June 30, 2015 and 2016 (in thousands, except effective tax rate):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Income before provision (benefit) for income taxes	$ 5,819	$ (5,830)	$ 3,793	$ 17,842
Provision (benefit) for income taxes	$ 69	$ (5,354)	$ 125	$ 284
Effective tax rate	1.2%	91.8%	3.3%	1.6%

In the three and six months ended June 30, 2016, we recorded a benefit for income taxes of $5.4 million and a provision for income taxes of $0.3 million, respectively. The provision for income taxes in the six months ended June 30, 2016, primarily consisted of foreign income taxes and certain discrete items. We recorded a benefit for income taxes in the three months ended June 30, 2016 in order for the year-to-date tax provision to be in line with the estimated annual effective tax rate. We recorded a valuation allowance against the US deferred tax assets at the end of fiscal year 2014 and continue to maintain that full valuation allowance as of June 30, 2016 as we believe it is not more likely that not that the net deferred tax assets will be realized. In the three and six months ended June 30, 2015, we recorded a provision for income taxes of $0.1 million and $0.1 million, respectively. Our provision for income taxes in the six months ended June 30, 2015 primarily consisted of foreign income taxes and certain discrete items.

Note 5 – Net Income (Loss) Per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted-average number of common shares outstanding for the period. Diluted net income (loss) per share is computed by dividing the net income (loss) for the period by the weighted-average number of common and common equivalent shares outstanding during the period.

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Diluted net income (loss) per share is computed giving effect to all potential dilutive common stock equivalent shares, including options and restricted stock units. The dilutive effect of outstanding awards is reflected in diluted net income (loss) per share by application of the treasury stock method.

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Basic:				
Numerator:				
Net income (loss)	$ 5,750	$ (476)	$ 3,668	$ 17,558
Denominator:				
Weighted-average number of common stock shares outstanding	17,967	18,258	17,906	18,206
Net income (loss) per share—basic:	$ 0.32	$ (0.03)	$ 0.20	$ 0.96
Diluted:				
Numerator:				
Net income (loss)	$ 5,750	$ (476)	$ 3,668	$ 17,558
Denominator:				
Weighted-average number of common stock shares outstanding	17,967	18,258	17,906	18,206
Weighted-average number of options	20	—	22	17
Weighted-average number of restricted stock units	48	—	70	73
Total common stock shares used in diluted per share calculation (1)	18,035	18,258	17,998	18,296
Net income (loss) per share—diluted:	$ 0.32	$ (0.03)	$ 0.20	$ 0.96

(1) Total common stock shares used in the diluted per share calculation excludes market-based stock unit awards for which the related contingency had not been met as of June 30, 2016.

For each of the three and six month periods ended June 30, 2015 and 2016, we had securities outstanding that could potentially dilute net income (loss) per share, but the shares from the assumed exercise of these securities were excluded in the computation of diluted net income (loss) per share as their effect would have been anti-dilutive for the periods presented. The number of outstanding weighted-average anti-dilutive shares that were excluded from the computation of diluted net income (loss) per share consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Common stock options	1,450	1,281	1,507	1,255
Restricted stock units	492	869	447	235
Total	1,942	2,150	1,954	1,490

Note 6 – Geographic Information and Significant Customers

Geographic Information—As of December 31, 2015 and June 30, 2016, our long-lived assets consisted primarily of property and equipment, internally-developed software, goodwill and other indefinite-lived intangible assets and finite-lived intangible assets. Our long-lived assets are attributed to the geographic location in which they are located. Long-lived assets by geographical area were as follows (in thousands):

	As of December 31, 2015	As of June 30, 2016
United States	$ 35,341	$ 33,495
China	436	412
Total	$ 35,777	$ 33,907

Significant Customers—Substantially all revenue for the three and six months ended June 30, 2015 and 2016 was generated from customers located in the United States. Carriers representing 10% or more of our total revenue in the three and six months ended June 30, 2015 and 2016 are presented in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Humana	13%	16%	26%	27%
Anthem (1)	11%	9%	9%	8%
UnitedHealthcare (2)	11%	13%	10%	11%
Aetna (3)	8%	9%	9%	10%

(1) Anthem includes other carriers owned by Anthem.

(2) UnitedHealthcare includes other carriers owned by UnitedHealthcare.

(3) Aetna includes other carriers owned by Aetna.

Commission revenue attributable to Medicare-related health insurance plans was approximately 26% and 50% of our commission revenue in the three and six months ended June 30, 2016, respectively. Commission revenue attributable to Medicare-related health insurance plans was approximately 18% and 38% of our commission revenue in the three and six months ended June 30, 2015, respectively. Commission revenue attributable to major medical individual and family health insurance plans was approximately 57% and 38% of our commission revenue in the three and six months ended June 30, 2016, respectively. Commission revenue attributable to major medical individual and family health insurance plans was approximately 65% and 49% of our commission revenue in the three and six months ended June 30, 2015. We define our individual and family plan offerings as major medical individual and family health insurance plans, which do not include small business, Medicare-related health insurance plan offerings and other ancillary products such as short-term, stand-alone dental, life, vision, and accident insurance plan offerings.

As of June 30, 2016, one customer represented 74% of our $13.9 million outstanding accounts receivable balance. As of December 31, 2015, three customers represented 24%, 18% and 15%, respectively, of our $9.6 million outstanding accounts receivable balance. No other customers represented 10% or more of our total accounts receivable at December 31, 2015 and June 30, 2016. We believe the potential for collection issues with any of our customers is minimal as of June 30, 2016. Accordingly, our estimate for uncollectible amounts at June 30, 2016 was not material.

EHEALTH, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 7 – Restructuring Charges

In March 2015, we implemented an organizational restructuring and cost reduction plan designed to rebalance our resources and help reduce our cost structure as a result of lower than expected individual and family health insurance plan membership and revenue. As part of the plan, we eliminated approximately 160 full-time positions in the United States, representing approximately 15% of our workforce primarily in our technology and content and customer care and enrollment groups, and to a lesser extent, in our marketing and advertising and general and administrative groups. We incurred pre-tax restructuring charges of approximately $3.9 million for employee termination benefits and related costs, as well as $0.6 million in other pre-tax restructuring charges, primarily consisting of facility exit costs. The majority of the restructuring charges were recorded in the first quarter of 2015, when the activities comprising the plan were approved and substantially completed. In March 2015, as part of our restructuring activities, we also eliminated certain positions in our China operation.

In June 2016, we reversed $0.2 million in other restructuring charges related to facility exit costs as we reoccupied facilities previously vacated as part of our March 2015 organizational restructuring and cost reduction plan.

The following table summarizes the total cash and non-cash restructuring charges recorded during the three and six months ended June 30, 2015 and June 30, 2016, respectively (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Employee termination costs	$ 57	$ —	$ 3,791	$ —
Non-cash employee termination costs - stock-based compensation	—	—	113	—
Facility and other termination costs	1	(158)	637	(158)
Total restructuring charges	$ 58	$ (158)	$ 4,541	$ (158)

The following table summarizes the cash-based restructuring charges liability activity during the six months ended June 30, 2016 (in thousands):

	Six Months Ended June 30, 2016				
	Beginning balance	Charges	Payments	Benefits	Ending balance
Employee termination costs	$ 12	$ —	$ (12)	$ —	$ —
Facility and other termination costs	421	—	(117)	(158)	146
Total restructuring liability	$ 433	$ —	$ (129)	$ (158)	$ 146
Less: non-current restructuring charges associated with facilities					(78)
Restructuring charges liability - current					$ 68

Note 8 - Commitments and Contingencies

Legal Proceedings— On January 26 and March 10, 2015, two purported class action lawsuits were filed against us, our chairman and chief executive officer, Gary L. Lauer (“Mr. Lauer”), and our senior vice president and chief financial officer, Stuart M. Huizinga (“Mr. Huizinga”), in the United States District Court for the Northern District of California. On May 6, 2015, the court consolidated the two cases. On June 10, 2015, a consolidated complaint was filed. The consolidated complaint alleges that the defendants made false and misleading statements regarding the Company’s financial performance, guidance and operations during an alleged class period of May 1, 2014 to January 14, 2015. The consolidated complaint alleges that we and

Messrs. Lauer and Huizinga violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The consolidated complaint seeks compensatory damages, attorneys' fees and costs, rescission or a rescissory measure of damages, equitable/injunctive relief and such other relief as the court deems proper. On July 15, 2015, defendants moved to dismiss the consolidated complaint. On March 14, 2016, the court entered an order granting the defendants' motion to dismiss the consolidated complaint with leave to file an amended consolidated complaint within 30 days, which was later extended to April 27, 2016. On April 27, 2016, plaintiff did not file an amended complaint but filed a notice of submission to the court's order dismissing the consolidated complaint. The court entered judgment in favor of defendants on May 27, 2016. Plaintiff did not file an appeal, and the time to appeal has expired.

In May 2016, we received a Notice of Proposed Agency Action and Opportunity for Hearing (the "Notice") from the Office of the Montana State Auditor, Commissioner of Securities & Insurance ("CSI"). The Notice proposes that the CSI take disciplinary action against a number of parties, including us, for alleged violations of the Montana Insurance Code. Specifically, with respect to us, the Notice alleges that we sold short-term health insurance to at least 211 individuals between January 1, 2012 and April 20, 2015 without being appointed by the relevant health insurance carrier in violation of Montana law. The Notice also alleges that we misrepresented pertinent facts or insurance policy provisions in connection with the sale of short-term health insurance and made certain omissions and/or misrepresentations regarding short-term health insurance. The CSI seeks the following relief in the Notice (i) imposition of fines against us not to exceed $5,000 per violation; (ii) issuance of a cease and desist order to enjoin us from violations of the Montana Insurance Code; and (iii) suspension or revocation of our license to sell health insurance in Montana. We cannot estimate the likelihood of liability or the total amount of potential damages, if any, but an adverse result could have a material adverse impact on our financial condition and results of operations.

In the ordinary course of our business, we have received and may continue to receive inquiries from state regulators relating to various matters. We have become, and may in the future become, involved in litigation in the ordinary course of our business. If we are found to have violated laws or regulations in any of the states, we could be subject to various fines and penalties, including revocation of our license to sell insurance in those states, and our business and financial results would be harmed. Revocation of any of our licenses or penalties in one jurisdiction could cause our license to be revoked or for us to face penalties in other jurisdictions. In addition, without a health insurance license in a jurisdiction, carriers would not pay us commissions for the products we sold in that jurisdiction, and we would not be able to sell new health insurance products in that jurisdiction. We could also be harmed to the extent that related publicity damages our reputation as a trusted source of objective information relating to health insurance and its affordability. It could also be costly to defend ourselves regardless of the outcome. At December 31, 2015 and June 30, 2016 we had no material liabilities included in our consolidated balance sheet for outstanding legal claims.

Note 9 - Subsequent Event

On July 11, 2016, eHealth, Inc. (the "Company") announced the resignation of Stuart M. Huizinga from his positions as senior vice president and chief financial officer of the Company, effective immediately. Mr. Huizinga will continue to serve as the Company's principal financial officer and principal accounting officer to help finalize the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, and will resign such roles on September 30, 2016.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

In addition to historical information, this Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements include, among other things, statements regarding our expectations relating to submitted applications and our membership; our expectations relating to revenue (including commission revenue, advertising revenue and other revenue), sources of revenue, cost of revenue, the collectability of our accounts receivable, operating expenses, marketing and advertising expenses, customer care and enrollment employees and expenses, technology and content expenses, general and administrative expenses and profitability; our expectations regarding our strategic review and impact to our operating results; potential efforts to accelerate growth in Medicare Advantage and Medicare Supplement market; our expectations regarding the impact of healthcare reform on our business; our ability to enroll and plans relating to the enrollment of individuals and families into qualified health plans through government health insurance exchanges; our ability to enter into agreements with and meet requirements to offer qualified health plans through state and federal health insurance exchanges; our increased

focus in public policy and lobbying efforts; our expectations relating to the commission rates that health insurance carriers will pay; our expectations relating to the seasonality of our business; our expectations relating to the renewal of Medicare-related health insurance plans and the timing of our generation of renewal commission revenue on those plans; the timing of our receipt of commission payments; our expectations relating to seasonal trends in our business relating to the sale of Medicare-related health insurance; estimations of our membership and related assumptions that we make in our membership estimations; our expectations relating to membership attrition and retention rates; the shift between marketing partner and direct marketing channels as sources of submitted individual and family plan applications during 2016; our critical accounting policies and related estimates; our expectation that we will experience an increase in submitted applications during open enrollment periods; our belief that cash generated from operations and our current cash and cash equivalents will be sufficient to fund operations for the next twelve months; our beliefs relating to the potential for collection of our accounts receivable; expected competition from government-run health insurance exchanges and other sources; our ability to adjust headcount to respond to changes in demand due to annual open enrollment periods; our ability to convert subsidy-eligible individuals and families into members; the timing of open enrollment periods including restrictions on changes outside of such periods and our readiness therefore; the timing and source of our Medicare-related revenue; the impact of the healthcare reform laws on the healthcare industry in future periods; the potential impact of lawsuits challenging certain aspects of the Affordable Care Act; the merits of any lawsuits filed against us; future capital requirements; our need for additional regulatory licenses and approvals; as well as other statements regarding our future operations, financial condition, prospects and business strategies. These forward-looking statements are subject to certain risks and uncertainties that could cause our actual results to differ materially from those reflected in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those risks associated with the impact of healthcare reform and court decisions relating to healthcare reform; our ability to retain existing members and enroll a large number of individuals and families during enrollment periods; our ability to align our expenses with our revenue; the impact of annual enrollment period for the purchase of individual and family health insurance and its timing on our recognition of revenue; our ability to sell qualified health insurance plans to subsidy-eligible individuals and to enroll subsidy eligible individuals through government-run health insurance exchanges; competition, including competition from government-run health insurance exchanges; political, legislative and legal challenges to the Affordable Care Act; seasonality of our business and the fluctuation of our operating results; our ability to retain existing members and limit member turnover; changes in consumer behaviors and their selection of individual and family health insurance products, including the selection of products for which we receive lower commissions; product offerings among carriers and the resulting impact on our commission revenue; the impact of healthcare reform on the cost of health insurance; the cost of health insurance in the upcoming open enrollment period; the impact of increased health insurance costs on demand; our ability to timely receive and accurately predict the amount of commission payments from health insurance carriers; variability in timing of commission payments from health insurance carriers; medical loss ratio requirements; delays in our receipt of items required to recognize Medicare revenue; changes in member conversion rates; our ability to accurately estimate membership; the evolving nature of Affordable Care Act implementation; our relationships with health insurance carriers; our success in marketing and selling health insurance plans and our unit cost of acquisition; our ability to hire, train and retain licensed health insurance agents and other employees; the need for health insurance carrier and regulatory approvals in connection with the marketing of Medicare-related insurance products; our ability to successfully market and sell Medicare-related health insurance plans; the operations of our customer care center; costs of acquiring new members; scalability of the Medicare business; lack of membership growth and retention rates; consumers' satisfaction with our service; changes in the competitive landscape; our ability to attract new members and to convert online visitors into paying members; changes in products offered on our ecommerce platforms; changes in commission rates; maintaining and enhancing our brand identity; our ability to derive desired benefits from investments in our business, including membership growth initiatives; system failures, capacity constraints, data loss or online commerce security risks; dependence on acceptance of the Internet as a marketplace for the purchase and sale of health insurance; our ability to develop an effective process for purchasing of health insurance over the Internet on smartphones, tablets and devices other than desktop or laptop computers; dependence upon Internet search engines; reliance on marketing partners; timing of receipt and accuracy of commission reports; payment practices of health insurance carriers; general economic factors; dependence on our operations in China; dependence on our carrier partners for timely information about membership changes; success of our sponsorship and advertising business; protection of our intellectual property and defense against intellectual property rights claims; legal liability and regulatory penalties; changes in our management and key employees; maintenance of relationships with business development partners; difficulties, delays, unexpected costs and an inability to achieve anticipated cost savings from the organizational restructuring and cost reduction program we implemented in March 2015; potential acquisitions; potential consolidation in the health insurance industry; maintenance of proper and effective internal controls; potential changes to accounting standards and interpretations; impact of provisions for income taxes; changes in laws and regulations, including in connection with health care reform and/or with respect to the marketing and sale of Medicare-related plans; compliance with insurance and other laws and regulations; exposure to security risks; and the performance, reliability and availability of our ecommerce platforms and underlying network infrastructure. Other risks include the risks discussed under the heading "Risk Factors" of this report and those discussed in our other Securities and Exchange Commission filings. The following discussion should be read in conjunction with our Annual Report on Form 10-K as filed with the Securities and Exchange Commission in March 2016, and

the audited consolidated financial statements and related notes contained therein. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements. Given these risks and uncertainties, you are cautioned not to place undue reliance on such forward-looking statements.

Overview

We are the leading private online source of health insurance for individuals, families and small businesses. Through our website addresses (*www.eHealth.com*, *www.eHealthInsurance.com*, *www.eHealthMedicare.com*, *www.Medicare.com* and *www.PlanPrescriber.com)*, consumers can get quotes from leading health insurance carriers, compare plans side-by-side, and apply for and purchase Medicare-related, individual and family, small business and ancillary health insurance plans. Our ecommerce technology also enables us to deliver consumers' health insurance applications electronically to health insurance carriers. As a result, we simplify and streamline the complex and traditionally paper-intensive health insurance sales and purchasing process.

We have invested heavily in technology and content related to our ecommerce platforms. We have also invested significant time and resources in obtaining licenses to sell health insurance in all 50 states and the District of Columbia, developing member acquisition programs, obtaining necessary regulatory approvals of our websites and establishing relationships and appointments with leading health insurance carriers, enabling us to offer thousands of health insurance plans online. Our ecommerce platforms can be accessed directly through our websites as well as through our network of marketing partners.

Sources of Revenue

Commission Revenue

We generate revenue primarily from commissions we receive from health insurance carriers whose health insurance policies are purchased through our ecommerce platforms. Commission revenue represented 94% of total revenue in each of the three and six months ended June 30, 2015, respectively, and represented 93% and 94% of total revenue in the three and six months ended June 30, 2016, respectively.

We typically enter into contractual agency relationships with health insurance carriers that are non-exclusive and terminable on short notice by either party for any reason. In addition, health insurance carriers often have the ability to terminate or amend our agreements unilaterally on short notice, including provisions in our agreements relating to our commission rates. The amendment or termination of an agreement we have with a health insurance carrier may adversely impact the commissions we are paid on health insurance plans that we have already sold through the carrier. See *Critical Accounting Policies and Estimates* in our Annual Report on Form 10-K for the year ended December 31, 2015 for details regarding our recognition of commission revenue.

We actively market the availability of Medicare-related health insurance plans through our Medicare ecommerce platforms (*www.eHealthMedicare.com*, *www.Medicare.com* and *www.PlanPrescriber.com*). Our Medicare ecommerce platforms and telephonic enrollment capabilities enable consumers to research, compare and purchase Medicare-related health insurance plans, including Medicare Advantage, Medicare Supplement and Medicare Part D prescription drug plans. To the extent that we assist in the sale of Medicare-related insurance plans as a health insurance agent, either online or telephonically, we generate revenue from commissions we receive from health insurance carriers. Medicare Advantage and Medicare Part D prescription drug plan pricing is set by health insurance carriers and approved by the Centers for Medicare and Medicaid Services, or CMS, an agency of the United States Department of Health and Human Services, and is not subject to negotiation or discounting by health insurance carriers or our competitors. Similarly, Medicare Supplement plan pricing is set by the health insurance carrier and approved by state regulators and is not subject to negotiation or discounting by health insurance carriers or our competitors.

We have historically sold a greater number of Medicare plans in the fourth quarter of the year during the Medicare annual enrollment period, when Medicare-eligible individuals are permitted to change their Medicare Advantage and Medicare Part D prescription drug coverage for the following year, compared to the number of Medicare plans we sell during the first, second or third quarters of the year. During 2015, 56% of our Medicare plan-related applications were submitted during the fourth quarter. As a result, we generate the majority of our commission revenues related to new Medicare plan-related enrollments in the fourth quarter. During the first quarter, we recognize substantially all of our Medicare Advantage and

Medicare Part D prescription drug plan renewal commission revenue as substantially all Medicare Advantage and Medicare Part D policies renew on January 1 of each year.

In addition to Medicare plans, we also actively market the availability of individual and family, small business and ancillary health insurance plans through our ecommerce platforms (*www.eHealth.com* and *www.eHealthInsurance.com*), and generate revenue from commissions we receive from health insurance carriers whose plans are purchased through us, as well as commission override payments we receive for achieving sales volume thresholds or other objectives. We sell ancillary health insurance plans, which primarily consist of short-term, dental, life, vision, and accident insurance plans, alongside individual and family health insurance plans and also as standalone products.

In March 2010, the federal Patient Protection and Affordable Care Act and related amendments in the Health Care and Education Reconciliation Act were signed into law. These health care reform laws contain provisions that changed and will continue to change the health insurance industry in substantial ways. We have described various aspects of health care reform in *Part II, Item 1A. Risk Factors - Risks Related to Our Business.* Various aspects of health care reform may impact our business positively. For instance, the mandate that individuals and families have qualified health insurance or face a tax penalty and the government providing individuals and families' subsidies in the form of premium tax credits and cost sharing reductions are provisions in the law that could benefit our business. Notwithstanding these aspects of health care reform, the implementation of health care reform has significantly reduced our individual and family health insurance membership and individual and family health insurance commission revenue and could in the future have a material adverse effect on our business and results of operations. Health care reform established annual open enrollment periods for the purchase of individual and family health insurance. For coverage effective in 2015, the open enrollment period ran from November 15, 2014 through February 15, 2015, and for coverage effective in 2016, the annual open enrollment period ran from November 1, 2015 through January 31, 2016. Individuals and families generally are not able to purchase individual and family health insurance outside of the annual enrollment periods, unless they qualify for a special enrollment period as a result of certain qualifying events, such as losing employer-sponsored health insurance or moving to another state. The open enrollment period has changed the seasonality of our individual and family health insurance business and individual and family health insurance submitted applications. It also presents challenges to our ability to enroll a significant number of individuals and families into health insurance over a limited period of time and significantly reduces our ability to obtain new health insurance members outside of the open enrollment period. In addition, CMS tightened the requirements for individuals to qualify for a special enrollment period starting in 2016. We do not expect to enroll a significant number of individuals in individual and family health insurance outside of the open enrollment period in 2016.

A substantial number of individuals and families are eligible for subsidies under health care reform. Health care reform's establishment of government-run health insurance exchanges through which individuals and families must purchase qualified health plans to receive government subsidies has increased our competition as individual and families may purchase qualified health plans directly from government exchanges. While they are not required to do so, government-run exchanges are permitted to allow agents and brokers to enroll individuals and families into qualified health plans through government-run exchanges. We have entered into an agreement with, and enrolled individuals and families into qualified health plans through, the Federally Facilitated Marketplace, or FFM, run by CMS. The FFM operated some part of the health insurance exchange in 37 states during the last health care reform open enrollment period.

Our ability to act as a health insurance agent for subsidy-eligible individuals purchasing qualified health plans through the FFM depends upon the FFM developing and maintaining an efficient, scalable and online enrollment process, and our ability to successfully enter into and maintain our agreement and integrate with the FFM. CMS has discretion with respect to allowing us to enroll individuals in qualified health plans through the FFM and broad authority over the requirements that we must meet in order to be able to do so. In addition to issuing new requirements, CMS has the authority to interpret existing requirements. In order to enroll individuals in subsidy-eligible plans over the Internet through the FFM, we need to meet a number of requirements relating to display of information on our websites as well as new and comprehensive privacy and security requirements. These requirements are evolving. For example, we are required to translate significant portions of our website into Spanish for the next open enrollment period in certain jurisdictions in order to be able to offer qualified health plans to individuals in states where greater than 10% of the state's population is Spanish speaking (currently California and Texas), and we may not be able to meet this requirement and be able to offer qualified health plans in those states. Our ability to maintain compliance with the various requirements to enroll individuals through the FFM has presented, and could in the future present, significant challenges for us.

CMS directed us and other web-based entities to make changes after the end of the last open enrollment period to the process we developed for enrolling individuals into qualified health plans through the FFM. As a result of the changes that we made to our online process in response to CMS requirements, which require that we use a different and more cumbersome pathway through which individuals are enrolled in qualified health plans, we experienced a substantial reduction in the rate at

which individuals and families starting the application process for qualified health plans and subsidies became members. Near the time CMS directed us to change our process for enrolling individuals in qualified health plans CMS indicated that it anticipated it would improve the alternative process that CMS directed us to use. To date, CMS has not made meaningful improvements to the process and has indicated that it no longer anticipates making important improvements. While we plan to engage in discussions with CMS to allow us to use a process similar to the process we used during the last open enrollment period, we may not be successful in doing so. If we are not successful, we anticipate that we will experience substantially reduced conversion rates for qualified health plans and may determine to significantly deemphasize the sale of qualified health plans through the FFM. Should we do so, our individual and family health insurance and ancillary product membership and commission revenue in 2017 would be adversely impacted to a significant degree. In addition, we anticipate that deemphasizing the sale of qualified health plans through the FFM would have a negative impact on our 2016 revenue and a positive impact on our 2016 earnings due to a reduction in marketing and advertising expense. We currently plan to incur significant lobbying expenses in connection with our request of CMS to allow us to utilize the process we developed for enrolling individuals and families in qualified health plans through the FFM and our lobbying efforts may be unsuccessful. Even if CMS does allow us to use the process we used to enroll individuals in qualified health plans during the last open enrollment period, we may still have difficulty enrolling, and may not be able to enroll, individuals in qualified health plans in an efficient and scalable manner both during and outside of the annual open enrollment period in the future and the number of individuals and families we are able to enroll in qualified health plans could decline significantly, which would cause a significant reduction in our membership and revenue.

The future impact of health care reform on health insurance carriers that pay us our commission revenue is also unclear. Health insurance carriers have the ability to unilaterally change their relationship with us, including the commission rates we receive for acting as a health insurance agent, and may reduce the amount they pay us, alter the manner and geographic areas in which they permit us to sell their products and change our relationship with them in any number of ways. As a result of higher medical utilization rates than carriers projected and for other reasons, several health insurance carriers with which we have a relationship, including large national health insurance carriers, reduced or eliminated our commissions for individual and family health insurance enrollments outside of the open enrollment period. Generally, carriers have not communicated to us their strategy for their individual and family health insurance business for the upcoming open enrollment period. While certain health insurance carriers that reduced or eliminated commissions indicated that they intend to increase commission rates for individual and family health insurance we sell during the upcoming open enrollment period, they are not obligated to do so, and if they do not do so, our business, operating results and financial conditions could be harmed. Given the significant losses that some of the carriers have sustained in connection with their sale of individual and family health insurance, we may see an overall reduction in our inventory of individual and family health insurance plans, an increase in the health insurance premiums consumers pay for the individual and family health insurance and an overall deterioration in the commissions that we receive for plans that we sell in the upcoming open enrollment period compared to the last open enrollment period, which would harm our business, operating results and financial condition. Moreover, certain major health insurance carriers for which we have sold individual and family health insurance have indicated that they do not plan to sell qualified health plans to subsidy-eligible individuals through the FFM and that they are exiting the individual and family health insurance market altogether in a large number of states. If health insurance carriers decline to sell individual and family health insurance, the number of plans offered on our website will be reduced, which could decrease demand for the individual and family health insurance that we sell. In addition, a significant number of our individual and family health insurance members purchased their individual and family health insurance from carriers exiting the individual and family health insurance market. As a result, we may see increased attrition in our individual and family membership, because those members will need shop for and purchase individual and family health insurance from another health insurance carrier during the upcoming open enrollment period if they desire to maintain individual and family health insurance. If they do not purchase their individual and family health insurance through us, they will no longer be our members and we will not receive the related commission revenue. If additional health insurance carriers determine not to sell qualified health plans or exit the business of selling individual and family health insurance in certain states or altogether, the impact on our individual and family membership and commission revenue will likely be more pronounced.

Our commission revenue is influenced by a number of factors including:

- the number of applications for Medicare-related, individual and family, small business and ancillary health insurance we submit to health insurance carriers;
- the number of members on submitted applications;
- the rate at which the individuals on those applications turn into paying members;
- the commission rates we receive for the health insurance plans that we sell; and
- our membership retention.

Submitted Applications. Historically, we have experienced a significant increase in the number of Medicare-related submitted applications during the Medicare annual enrollment period, which occurs during the fourth quarter of each year. During 2015, we experienced an increase in the number of Medicare-related applications submitted during the first, second and third quarters compared to the fourth quarter. Medicare Advantage applications submitted during the first, second and third quarters accounted for 45% of our total Medicare submitted applications in 2015, compared to 34% in 2014. Total Medicare product applications submitted outside of the annual enrollment period accounted for 55% of our total Medicare submitted applications in 2015, while 45% were submitted during the annual enrollment period in 2015. The number of individual and family health insurance applications submitted through us is historically highest during the health care reform open enrollment period, which has historically begun in the fourth quarter and run into the first quarter of the following year. Individual and family applications submitted through us during the first quarter of 2016 were lower than the number of applications submitted through us during the fourth quarter of 2015, and 47% below the number of applications submitted through us during the first quarter of 2015. During the second quarter of 2016, individual and family applications submitted through us decreased 59% compared to the second quarter of 2015. During the second and third quarters, which are outside the health care reform open enrollment periods, the number of individual and family health insurance submitted applications has historically decreased significantly compared to the first and fourth quarters. We expect this trend to continue in 2016. We also expect our individual and family submitted applications will increase significantly during the fourth quarter of 2016, relative to the second and third quarters of 2016, as a result of the open enrollment period.

Members per Submitted Application. For Medicare-related health insurance, there is only one individual on a submitted application. However, for individual and family and certain ancillary health insurance plans, there may be more than one member per submitted application. We experienced a decline in the average number of members on individual and family health insurance applications submitted in the first quarter of 2015 compared to the second through fourth quarters of 2014, but consistent with the first quarter of 2014. The average improved in the second through fourth quarters of 2015 compared to the first quarter of 2015, but did not return to the same levels as the second through fourth quarters of 2014, and did not return to historical pre-healthcare reform rates. In the first quarter of 2016, we experienced a decline in the average number of members on individual and family health insurance applications submitted through us compared to the first quarter of 2015, but again experienced an increase during the second quarter of 2016 compared to both the first quarter of 2016 and second quarter of 2015.

Approval Rates and Initial Payment Rates. Both the approval rates and initial payment rates for Medicare-related health insurance remained relatively consistent in 2014 and 2015. As a result of the health care reform prohibition on using pre-existing health conditions as a reason to deny health insurance applications, we have experienced higher approval rates on individual and family plan applications submitted during the open enrollment periods compared to periods before health care reform implementation. Approval rates have historically been lower outside of the open enrollment period than for applications submitted during the open enrollment period. In addition, during the first and second quarters of 2015, our individual and family plan commission revenue benefited from carriers paying us earlier on policies approved during the open enrollment period that ended in 2015 compared to the prior open enrollment period. We believe that the more timely payment of commissions resulted from carriers being better prepared to handle large application volumes, and we also took steps to work with our carrier partners to ensure that their processes resulted in more timely commission payments to us in 2015 and thus far in 2016.

Commission Rates. The average commission dollars per-member-per-month that we receive for new health insurance plan members varies based upon a number of factors, including the ratio of policies that we sold for which we receive per member-per-month commissions compared to percentage-of-premium commissions, the premiums on the policies we sold, the mix of our members by health insurance carrier and the commission rates we receive from each carrier. Additionally, commission rates may vary by carrier, by geography and by the type of plan purchased by a member.

In the first plan year of a Medicare Advantage and Medicare Part D prescription drug plan, after the health insurance carrier approves the application but during the effective year of the plan, we are paid a fixed commission that is prorated for the number of months remaining in the calendar year. Additionally, if the plan is the first Medicare Advantage or Medicare Part D prescription drug plan issued to the member, we may receive a higher commission rate that covers a full twelve-month period, regardless of the month the plan was effective. Beginning with and subsequent to the second plan year, we typically receive fixed, monthly commissions for Medicare Advantage plans and fixed, annual commissions for Medicare Part D prescription drug plans. We earn commission revenue for Medicare Advantage and Medicare Part D prescription drug plans for which we are the broker of record, typically until either the policy is cancelled or we otherwise do not remain the agent on the policy. Commission payments we receive for Medicare Supplement policies sold by us are typically a percentage of the premium on the policy and paid to us until the policy is cancelled or we otherwise do not remain the agent on the policy. See *Critical Accounting Policies and Estimates* in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for details regarding our recognition of Medicare plan commission revenue.

Historically, the commission payments we receive for individual and family, small business and ancillary health insurance plans we sold were a percentage of the premium our customers pay for those plans. Effective January 1, 2014, many carriers began paying our individual and family health insurance commissions at a flat amount per member per month. Commission payments are typically made to us on a monthly basis until either the policy is cancelled or we otherwise do not remain the agent on the policy.

As a result of our commission structure, much of our revenue for a given financial reporting period relates to health insurance plans that we sold prior to the beginning of the period and is recurring in nature. However, the increased volume of health insurance applications submitted during the annual open enrollment periods compared to applications submitted outside of the annual open enrollment period has caused us to experience shifts in the concentration of our membership by health insurance carrier and type of plan purchased and corresponding fluctuations in our average commission rate. For example, we have observed higher commissions on many of the individual and family health insurance plans that we sold during the 2015 open enrollment period for coverage effective in 2016 compared to policies that we sold during the 2014 open enrollment period for coverage effective in 2015. Recently, several health insurance carriers have reduced or eliminated commissions for individual and family health insurance sold outside of the health care reform open enrollment period. While some of these carriers have indicated that they plan to increase commission rates for individual and family health insurance sold in the upcoming open enrollment period, they are not obligated and may determine not to do so.

Retention Rates. Our commission revenue is also influenced by our member retention rates. Retention rates are typically lower in the first policy year and improve each subsequent year. Additionally, the member retention rates on our individual and family membership were negatively impacted by health care reform throughout 2014, 2015 and the first half of 2016. As a result, the number of new individual and family health insurance members added during the second quarter of 2016 and the second, third and fourth quarters of 2015 was not enough to offset the loss of existing members, resulting in a decline in individual and family health insurance estimated membership during those periods. We may experience increased attrition rates as a result of carriers exiting the individual and family health insurance market and our members who purchased plans from those carriers shopping for new plans.

Other Revenue

Online Sponsorship and Advertising. We generate revenue from our online sponsorship and advertising program that allows carriers to purchase advertising space in specific markets in a sponsorship area on our website and allows Medicare-related carriers to purchase advertising on a separate website developed, hosted and maintained by us. In return, we are typically paid a flat fee or, with respect to individual and family health insurance plans, a monthly fee and a performance-based fee based on metrics such as submitted health insurance applications. Health insurance carriers commit to sponsorship and advertising on a quarterly basis, if at all, and generally determine prior to the quarter whether to purchase sponsorship and advertising from us and how much they are willing to spend. As a result, our sponsorship and advertising revenue is difficult to predict. See *Critical Accounting Policies and Estimates* in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for details regarding our recognition of online sponsorship and advertising revenue.

Technology Licensing. We generate revenue from licensing the use of our health insurance ecommerce technology. Our technology platform enables health insurance carriers and agents to market and distribute health insurance plans online. Health insurance carriers or agents that license our technology typically pay us implementation fees and performance-based fees that are based on metrics such as submitted health insurance applications. See *Critical Accounting Policies and Estimates* in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for details regarding our recognition of technology licensing revenue.

Lead Referrals. We generate revenue from referral fees paid to us based on Medicare-related and individual and family health insurance leads generated by our ecommerce platforms that are delivered and sold to third parties. See *Critical Accounting Policies and Estimates* in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015 for details regarding our recognition of lead referral revenue.

Member Acquisition

Marketing initiatives are an important component of our strategy to increase revenue by growing our member base. Our marketing initiatives are focused on three primary member acquisition channels: direct, marketing partners and online advertising and are primarily designed to encourage consumers to complete an application for health insurance. For the three months ended June 30, 2015 and 2016, applications submitted through us for Medicare-related, individual and family, small business and ancillary health insurance from our three member acquisition channels as a percentage of all health insurance applications submitted on our websites were as follows:

	Three Months Ended June 30,	
	2015	2016
Source of total submitted applications (as a percentage of total submitted applications for the period):		
Direct	61%	63%
Marketing partners	33%	31%
Online advertising	6%	6%
Total	100%	100%

Direct. Our direct member acquisition channel consists of consumers who access our website addresses, (*www.eHealth.com*, *www.eHealthInsurance.com*, *www.eHealthMedicare.com*, *www.Medicare.com* and *www.PlanPrescriber.com*) either directly, through algorithmic natural search listings on Internet search engines and directories, or other forms of marketing, such as Internet retargeting campaigns, television advertising, direct mail and email marketing.

Marketing Partners. Our marketing partner member acquisition channel consists of consumers who access our websites through a network of affiliate partners and financial services and other companies. We compensate a significant number of our marketing partners by paying a fee each time a consumer referral from a partner results in a submitted health insurance application, regardless of whether the consumer's application is approved by the health insurance carrier. Some of our marketing partners have tiered arrangements in which the amount of the fee increases as the volume of submitted applications we receive from the marketing partner increases over a particular period. We recognize these expenditures in the period when a marketing partner's referral results in the submission of a health insurance application. Growth in our marketing partner channel depends upon our expanding marketing programs with existing partners and adding new partners to our network. While we have relationships with a large number of marketing partners, we depend upon referrals from a limited number of marketing partners for a significant portion of the submitted applications we receive from our marketing partner customer acquisition channel. Moreover, a significant portion of our referrals for the purchase of Medicare plans comes from a single marketing partner.

Online Advertising. Our online advertising member acquisition channel consists of consumers who access our websites through paid keyword search advertising from search engines such as Google, Bing and Yahoo!, as well as various Internet marketing programs such as display advertising. We incur expenses associated with search advertising in the period in which the consumer clicks on the advertisement.

Operating Costs and Expenses

Cost of Revenue

Included in cost of revenue are payments related to health insurance policies sold to members who were referred to our website by marketing partners with whom we have revenue-sharing arrangements. In order to enter into a revenue-sharing arrangement, marketing partners must be licensed to sell health insurance in the state where the policy is sold. Costs related to revenue-sharing arrangements are expensed as the related revenue is recognized.

Additionally, cost of revenue includes the amortization of consideration we paid to certain broker partners in connection with the transfer of their health insurance members to us as the new broker of record on the underlying policies. These transfers include primarily Medicare plan members. Consideration for all book-of-business transfers is being amortized to cost of revenue as we recognize commission revenue related to the transferred members.

Marketing and Advertising

Marketing and advertising expenses consist primarily of member acquisition expenses associated with our direct, marketing partner and online advertising member acquisition channels, in addition to compensation and other expenses related to marketing, business development, partner management, public relations and carrier relations personnel who support our offerings.

Since a significant portion of our marketing and advertising expenses consists of expenses incurred as a result of payments owed to our marketing partners in connection with health insurance applications submitted on our ecommerce platforms and other forms of marketing, such as direct mail, email marketing, television, radio and retargeting campaigns, those expenses are influenced by seasonal submitted application patterns. As a result of the annual open enrollment periods for both Medicare-related and individual and family health insurance, marketing and advertising expenses increase during the fourth quarter of each year. Additionally, since the health care reform open enrollment periods for individual and family health insurance has continued into the following year, marketing and advertising expenses have increased during the first quarter of each year, but to a lesser extent than the fourth quarter. During the second and third quarters, marketing and advertising expenses decrease, consistent with the decrease in submitted applications compared to periods during the open enrollment periods. We expect these seasonal trends to continue in 2016.

Because the total volume of submitted applications that we receive from our marketing partners is largely outside of our control, particularly during any short-term period, and because of our tiered marketing partner arrangements, we could incur expenses in excess of, or below, the amounts we had planned in periods of rapid change in the volume of submitted applications from marketing partner referrals. Similar to our marketing partner channel, expenses in our online advertising channel will increase or decrease in relation to any increase or decrease in consumers referred to our website as a result of search engine advertising. Increases in submitted applications resulting from marketing partner referrals or visitors to our website from our online advertising channel has in the past and could in the future result in marketing and advertising expenses significantly higher than our expectations. This has in the past and could in the future negatively impact our profitability during such periods because the revenue (if any) derived from submitted applications that are approved by health insurance carriers is not recognized until future periods.

Historically, we have experienced decreases in submitted individual and family plan applications outside of the open enrollment period compared to inside the open enrollment period and the source of our submitted individual and family plan applications shifted so that a greater number of applications came from our direct member acquisition channel. During the open enrollment period, the source of our submitted individual and family plan applications shifted so that a greater number of applications came from our higher cost marketing partner member acquisition channel compared to outside of the open enrollment period. These seasonal trends are expected to continue in 2016.

Customer Care and Enrollment

Customer care and enrollment expenses primarily consist of compensation and benefits costs for personnel engaged in assistance to applicants who call our customer care center and for enrollment personnel who assist applicants during the enrollment process. In preparation for the Medicare annual enrollment period during 2014 and 2015, and to a lesser extent the open enrollment period for individual and family health insurance plans during 2014 and 2015, we began ramping up our customer care center staff during our third quarter to handle the anticipated increased volume of health insurance transactions. Additionally, in the first quarter of 2015, we retained some Medicare sales and enrollment personnel to handle the increased volume of individual and family plan applications during the annual open enrollment periods for individual and family health insurance that ended on February 15, 2015. We expect customer care and enrollment expenses to increase in each sequential quarter of 2016 to handle the anticipated increase in volume of Medicare-related health insurance transactions during the Medicare annual enrollment period in the fourth quarter.

Technology and Content

Technology and content expenses consist primarily of compensation and benefits costs for personnel associated with developing and enhancing our website technology as well as maintaining our website. A majority of our technology and content group is located at our wholly-owned subsidiary in China, where technology development costs are generally lower than in the United States.

General and Administrative

General and administrative expenses include compensation and benefits costs for staff working in our executive, finance, investor relations, government affairs, legal, human resources, internal audit, facilities and internal information technology departments. These expenses also include fees paid for outside professional services, including audit, tax, legal, government affairs and information technology fees. We anticipate incurring significant general and administrative expenses in the second half of 2016 in connection with a strategic review of our business as well as government affairs and lobbying expenses relating to our individual and family health insurance business.

Restructuring Charges

On March 10, 2015, we implemented an organizational restructuring and cost reduction plan. As part of the plan, we eliminated approximately 160 full-time positions, representing approximately 15% of our workforce primarily in our technology and content and customer care and enrollment groups, and to a lesser extent, in our marketing and advertising and general and administrative groups. We incurred pre-tax restructuring charges of approximately $3.9 million for employee termination benefits and related costs as well as $0.6 million in other pre-tax restructuring charges, primarily consisting of facility exit costs. The majority of the restructuring charges were recorded in the first quarter of 2015, when the activities comprising the plan were substantially completed.

In June 2016, we reversed $0.2 million in other pre-tax restructuring charges related to facility exit costs as we reoccupied facilities previously vacated as part of our March 2015 organizational restructuring and cost reduction plan.

Changes in Senior Management

In May 2016, we announced the resignation of Gary L. Lauer from his positions as chairperson of our board of directors and chief executive officer and the appointment of Scott N. Flanders, a member of our board of directors, as our chief executive officer. These executive changes increased general and administrative expenses, including severance costs, other personnel costs and stock-based compensation in the second quarter of 2016.

In June 2016, we announced the resignation of William T. Shaughnessy from his positions as president, chief operating officer and a member of our board of directors. This executive departure increased marketing and advertising expenses, including severance costs, other personnel costs and stock-based compensation in the second quarter of 2016.

In July 2016, we announced the resignation of Stuart M. Huizinga from his positions as our senior vice president and chief financial officer and the appointment of David K. Francis as our senior vice president and chief financial officer. Mr. Huizinga will continue to serve as our principal financial officer and principal accounting officer to help finalize our Quarterly Report on Form 10-Q for the quarter ended June 30, 2016, and will resign such roles on September 30, 2016, at which time Mr. Francis will begin his service as our principal financial officer and principal accounting officer. We anticipate these executive changes will increase general and administrative expenses, including severance costs, other personnel costs and stock-based compensation in the third quarter of 2016.

Strategic Review

In connection with the recent changes in our senior management, we are conducting a strategic review of our business. As a result of the strategic review, we are examining areas of potential emphasis and investment. Among other things, we are considering whether to pursue higher growth rates in our Medicare business at the expense of greater acquisition costs, including investing more to accelerate growth in our Medicare Advantage membership and also potentially expanding our participation in the Medicare Supplement market. Adopting this strategy would mean sacrificing near term margins. We are also considering diversifying our existing revenue streams, including entering into businesses adjacent to our existing businesses. The strategic review that we are undertaking could have significant financial implications, including a potential impact on our 2016 revenue and earnings.

Summary of Selected Metrics

The following table shows certain selected quarterly metrics for the three months ended June 30, 2015 and 2016 and as of June 30, 2015 and 2016:

	Three Months Ended June 30,		
	2015	2016	Percentage Change
Submitted applications:			
Medicare submitted applications (1)	18,600	32,700	76 %
IFP submitted applications (2)	23,900	9,800	(59)%
Other submitted applications (3)	67,100	60,600	(10)%
Total submitted applications (4)	109,600	103,100	(6)%
Medicare Advantage submitted applications (5)	13,705	24,923	82 %
Commission revenue (in thousands):			
Medicare commission revenue (6)	$ 6,851	$ 9,008	31 %
IFP commission revenue (7)	24,046	19,595	(19)%
Other commission revenue (8)	6,499	6,046	(7)%
Total commission revenue (9)	$ 37,396	$ 34,649	(7)%

	As of June 30,		
	2015	2016	Percentage Change
Estimated membership:			
Medicare estimated membership (10)	169,100	239,000	41 %
IFP estimated membership (11)	568,400	481,300	(15)%
Other estimated membership (12)	404,900	380,000	(6)%
Total estimated membership (13)	1,142,400	1,100,300	(4)%

Notes:

(1)	Medicare-related health insurance applications submitted on our website or through our customer care center during the period, including Medicare Advantage, Medicare Part D Prescription drug and Medicare Supplement plans. Applications are counted as submitted when the applicant completes the application and either clicks the submit button on our website or provides verbal authorization to submit the application. The applicant may have additional actions to take before the application will be reviewed by the insurance carrier, such as providing additional information. In addition, an applicant may submit more than one application.
(2)	Major medical Individual and Family plan ("IFP") health insurance applications submitted on our website during the period. Applications are counted as submitted when the applicant completes the application, clicks the submit button on our website and submits the application to us. The applicant may have additional actions to take before the application will be reviewed by the insurance carrier, such as providing additional information and providing an electronic signature. In addition, an applicant may submit more than one application. We define our "IFP" offerings as major medical individual and family health insurance plans, which does not include Medicare-related, small business or ancillary plans (primarily consisting of short-term, dental, life, vision, and accident insurance plans).
(3)	Applications for health insurance plans other than Medicare and IFP submitted on our website during the period. Applications for ancillary plans are counted as submitted when the applicant completes the application, clicks the submit button on our website and submits the application to us. Applications for small business plans are counted as submitted when the applicant completes the application, the employees complete their applications, the applicant submits the application to us and we submit the application to the carrier. The applicant may have additional actions to take before the application will be reviewed by the insurance carrier, such as providing additional information. In addition, an applicant may submit more than one application.
(4)	Applications for all health insurance plans submitted on our website or through our customer care center during the period. See notes (1), (2) and (3) above for further information as to what constitutes a submitted application.
(5)	Medicare Advantage plan health insurance applications submitted on our website or through our customer care center during the period. Applications are counted as submitted when the applicant completes the application and either clicks the submit button on our website or provides verbal authorization to submit the application. The applicant may have additional actions to take before the application will be reviewed by the insurance carrier, such as providing additional information. In addition, an applicant may submit more than one application. Medicare Advantage submitted applications are included in Medicare submitted applications - See note (2) above.
(6)	Commission revenue recognized on all Medicare-related health insurance during the period.
(7)	Commission revenue recognized on all IFP health insurance plans during the period, including commission overrides.
(8)	Commission revenue recognized on all insurance other than Medicare-related health insurance and IFP health insurance plans during the period.
(9)	Total commission revenue recognized on all insurance plans during the period.
(10)	Estimated number of members active on Medicare-related health insurance as of the date indicated. See the note below for additional information regarding our calculation of Medicare estimated membership.
(11)	Estimated number of members active on IFP health insurance plans as of the date indicated. See the note below for additional information regarding our calculation of IFP estimated membership.
(12)	Estimated number of members active on insurance plans other than Medicare-related health insurance and IFP health insurance plans as of the date indicated. See the note below for additional information regarding our calculation of other estimated membership.
(13)	Estimated number of members active on all insurance plans as of the date indicated. See the note below for additional information regarding our calculation of total estimated membership.

Note:
Health insurance carriers bill and collect insurance premiums paid by our members. Health insurance carriers do not report to us the number of members that we have as of a given date. The majority of our non-Medicare members who terminate their policies do so by discontinuing their premium payments to the carrier and do not inform us of the cancellation. Also, some of our non-Medicare members pay their premiums less frequently than monthly. Given the number of months required to observe non-payment of commissions in order to confirm cancellations, we estimate the number of members who are active on insurance policies as of a specified date. We estimate the number of continuing members on all policies as of a specific date as follows:

- For Medicare-related health insurance plans, we take the number of members for whom we have received or applied a commission payment during the month of estimation.

- For IFP health insurance plans, we take the sum of (i) the number of IFP members for whom we have received or applied a commission payment for the month that is six months prior to the date of estimation after reducing that number using historical experience for assumed member cancellations over the six-month period; and (ii) the number of approved members over the six-month period prior to the date of estimation after reducing that number by the percentage of members who do not accept their approved policy from the same month of the previous year for each of the six months prior to the date of estimation and for estimated member cancellations through the date of the estimate.

- For ancillary health insurance plans (such as short-term, dental, vision, accident and student), we take the sum of (i) the number of members for whom we have received or applied a commission payment for the month that is one to three months prior to the date of estimation (after reducing that number using historical experience for assumed member cancellations over the one to three-month period); and (ii) the number of approved members over the one to three-month period prior to the date of estimation (after reducing that number using historical experience for an assumed number of members who do not accept their approved policy and

for estimated member cancellations through the date of the estimate). The one to three-month period varies by insurance product and is largely dependent upon the timeliness of commission payment and related reporting from the related carriers. For small business health insurance plans, we estimate the number of members using the number of initial members at the time the group is approved, and we update this number for changes in membership if such changes are reported to us by the group or carrier in the period it is reported. However, groups generally notify the carrier directly of policy cancellations and increases or decreases in group size without informing us.

Health insurance carriers often do not communicate policy cancellation information to us. We often are made aware of policy cancellations at the time of annual renewal and update our membership statistics accordingly in the period they are reported.

A member who purchases and is active on multiple standalone insurance plans will be counted as a member more than once. For example, a member who is active on both an individual and family health insurance plan and a standalone dental plan will be counted as two continuing members.

After we have estimated membership for a period, we may receive information from health insurance carriers that would have impacted the estimate if we had received the information prior to the date of estimation. We may receive commission payments or other information that indicates that a member who was not included in our estimates for a prior period was in fact an active member at that time, or that a member who was included in our estimates was in fact not an active member of ours. For instance, we reconcile information carriers provide to us and may determine that we were not historically paid commissions owed to us, which would cause us to have underestimated membership. Conversely, carriers may require us to return commission payments paid in a prior period due to policy cancellations for members we previously estimated as being active. We do not update our estimated membership numbers reported in previous periods. Instead, we reflect updated information regarding our historical membership in the membership estimate for the current period. As a result of the delay in our receipt of information from insurance carriers, actual trends in our membership are most discernible over periods longer than from one quarter to the next. In addition, and as a result of the delay we experience in receiving information about our membership, it is difficult for us to determine with any certainty the impact of current conditions such as health care reform implementation on our membership retention. Health care reform and other factors could cause the assumptions and estimates that we make in connection with estimating our membership to be inaccurate, which would cause our membership estimates to be inaccurate.

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with U.S. generally accepted accounting principles, or U.S. GAAP, requires us to make judgments, assumptions, and estimates that affect the amounts reported in the consolidated financial statements and the accompanying notes. These estimates and assumptions are based on current facts, historical experience, and various other factors that we believe are reasonable under the circumstances to determine reported amounts of assets, liabilities, revenue and expenses that are not readily apparent from other sources. To the extent there are material differences between our estimates and the actual results, our future consolidated results of operations may be affected.

An accounting policy is considered to be critical if the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change, and the effect of the estimates and assumptions on financial condition or operating performance. The accounting policies we believe to reflect our more significant estimates, judgments and assumptions and are most critical to understanding and evaluating our reported financial results are as follows:

- Revenue Recognition;
- Stock-Based Compensation;
- Realizability of Long-Lived Assets; and
- Accounting for Income Taxes.

During the six months ended June 30, 2016, there were no significant changes to our critical accounting policies and estimates. Please refer to *Management's Discussion and Analysis of Financial Condition and Results of Operations* contained in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2015, for a complete discussion of our critical accounting policies and estimates.

Results of Operations

The following table sets forth our operating results and the related percentage of total revenues for the three and six months ended June 30, 2015 and 2016 (dollars in thousands):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2015		2016		2015		2016	
Revenue:								
Commission	$ 37,396	94 %	$ 34,649	93 %	$ 95,215	94 %	$ 104,036	94 %
Other	2,498	6	2,628	7	5,967	6	7,085	6
Total revenue	39,894	100	37,277	100	101,182	100	111,121	100
Operating costs and expenses:								
Cost of revenue	670	2	533	1	3,084	3	2,717	2
Marketing and advertising	9,285	23	12,936	35	34,736	34	33,818	30
Customer care and enrollment	7,658	19	10,411	28	19,519	19	20,610	19
Technology and content	8,591	22	8,289	22	19,364	19	16,796	15
General and administrative	7,516	19	10,815	29	15,489	15	18,944	17
Restructuring charges	58	—	(158)	—	4,541	4	(158)	—
Amortization of intangible assets	288	1	260	1	633	1	520	—
Total operating costs and expenses	34,066	85	43,086	116	97,366	96	93,247	84
Income (loss) from operations	5,828	15	(5,809)	(16)	3,816	4	17,874	16
Other expense, net	(9)	—	(21)	—	(23)	—	(32)	—
Income (loss) before provision (benefit) for income taxes	5,819	15	(5,830)	(16)	3,793	4	17,842	16
Provision (benefit) for income taxes	69	—	(5,354)	(14)	125	—	284	—
Net income (loss)	$ 5,750	14 %	$ (476)	(1)%	$ 3,668	4 %	$ 17,558	16 %

Operating costs and expenses include the following amounts of stock-based compensation expense (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Marketing and advertising	$ 446	$ 417	$ 1,037	$ 972
Customer care and enrollment	139	147	256	270
Technology and content	511	473	946	908
General and administrative	731	1,140	1,506	1,859
Restructuring charges	—	—	113	—
Total stock-based compensation expense	$ 1,827	$ 2,177	$ 3,858	$ 4,009

Three and Six Months Ended June 30, 2015 and 2016

Revenue

The following table presents our commission, other revenue and total revenue for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Commission	$ 37,396	$ 34,649	$ (2,747)	(7)%	$ 95,215	$ 104,036	$ 8,821	9%
Percentage of total revenue	94%	93%			94%	94%		
Other	$ 2,498	$ 2,628	$ 130	5 %	$ 5,967	$ 7,085	$ 1,118	19%
Percentage of total revenue	6%	7%			6%	6%		
Total revenue	$ 39,894	$ 37,277	$ (2,617)	(7)%	$ 101,182	$ 111,121	$ 9,939	10%

Three Months Ended June 30, 2015 and 2016—Commission revenue decreased $2.7 million, or 7% in the three months ended June 30, 2016 compared to the three months ended June 30, 2015, due to a decrease of $4.2 million in individual and family health insurance-related commission revenue, a decrease of $0.7 million in commission override revenue and a decrease of $0.4 million in ancillary revenue. This was partially offset by an increase of $2.6 million in Medicare-related commission revenue. The decrease in individual and family plan related commission revenue is primarily due to decreased individual and family plan estimated membership for the period ended June 30, 2016 compared to the period ended June 30, 2015. The increase in Medicare related commission revenue is primarily due to increased Medicare estimated membership for the period ended June 30, 2016 compared to the period ended June 30, 2015.

Other revenue increased $0.1 million, or 5%, in the three months ended June 30, 2016, compared to the three months ended June 30, 2015, due primarily to an increase in online sponsorship and advertising revenue and lead generation revenue.

Six Months Ended June 30, 2015 and 2016—Commission revenue increased $8.8 million or 9%, in the six months ended June 30, 2016, compared to the six months ended June 30, 2015, primarily due to increases of $16.7 million in Medicare-related commission revenue. This was partially offset by decreases of $7.8 million in individual and family health insurance-related commission revenue, $1.2 million in commission override revenue, $0.3 million in small business health insurance related commission revenue and $0.6 million in ancillary health insurance commission revenue, consisting primarily of short-term, dental, vision and accident plan offerings. The increase in Medicare related commission revenue is primarily due to increased Medicare estimated membership for the period ended June 30, 2016 compared to the period ended June 30, 2015. Commission revenue from renewals of Medicare Advantage and Prescription Drug Plan products were approximately $29 million in the first quarter of 2016, representing approximately 52% annual growth compared to the first quarter of 2015. The decrease in individual and family plan related commission revenue is primarily due to decreased individual and family plan estimated membership for the period ended June 30, 2016 compared to the period ended June 30, 2015.

Other revenue increased $1.1 million, or 19%, in the six months ended June 30, 2016, compared to the six months ended June 30, 2015, primarily due to an increase of $0.5 million in online sponsorship and advertising revenue and an increase of $0.8 million in lead generation revenue, partially offset by a decrease of $0.2 million in technology licensing revenue.

We expect commission revenue to increase in absolute dollars in 2016 compared to 2015, primarily as a result of a continued increase in Medicare-related commission revenue, partially offset by decreases in individual and family health insurance related commission revenue, commission override revenue, and ancillary health insurance commission revenue.

Operating Costs and Expenses

Cost of Revenue

The following table presents our cost of revenue for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Cost of revenue	$ 670	$ 533	$ (137)	(20)%	$ 3,084	$ 2,717	$ (367)	(12)%
Percentage of total revenue	2%	1%			3%	2%		

Three Months Ended June 30, 2015 and 2016—Cost of revenue decreased $0.1 million, or 20% in the three months ended June 30, 2016 compared to the three months ended June 30, 2015, due primarily to fewer payments to marketing partners with whom we have revenue-sharing arrangements.

Six Months Ended June 30, 2015 and 2016—Cost of revenue decreased $0.4 million, or 12%, in the six months ended June 30, 2016, compared to the six months ended June 30, 2015, due primarily to a decrease in amortization expense associated with the consideration we paid to a broker partner in connection with the transfer of several Medicare plan books-of-business to us whereby we became the broker of record on the underlying policies.

We expect cost of revenue to decrease in absolute dollars in 2016 compared to 2015, primarily as a result of the decrease in amortization expense associated with the consideration we paid to a broker partner in connection with the transfer of several Medicare plan books-of-business to us whereby we became the broker of record on the underlying policies.

Marketing and Advertising

The following table presents our marketing and advertising expenses for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Marketing and advertising	$ 9,285	$ 12,936	$ 3,651	39%	$ 34,736	$ 33,818	$ (918)	(3)%
Percentage of total revenue	23%	35%			34%	30%		

Three Months Ended June 30, 2015 and 2016—Marketing and advertising expenses increased $3.7 million, or 39%, in the three months ended June 30, 2016 compared to the three months ended June 30, 2015 due primarily to a $3.5 million increase in variable advertising costs and a $0.2 million increase in compensation, benefits and other personnel costs due partly to severance costs from an executive departure.

Six Months Ended June 30, 2015 and 2016—Marketing and advertising expenses decreased $0.9 million, or 3%, in the six months ended June 30, 2016 compared to the six months ended June 30, 2015, due primarily to a decrease in compensation, benefits and other personnel costs of $0.6 million due to the reduction-in-force announced in March 2015 and a $0.3 million decrease in variable advertising costs.

We expect our marketing and advertising expenses to increase in absolute dollars in 2016 compared to 2015 due primarily to an increase in variable advertising costs related to our Medicare-related health insurance business, particularly during the Medicare annual enrollment period in the fourth quarter.

Customer Care and Enrollment

The following table presents our customer care and enrollment expenses for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Customer care and enrollment	$ 7,658	$ 10,411	$ 2,753	36%	$ 19,519	$ 20,610	$ 1,091	6%
Percentage of total revenue	19%	28%			19%	19%		

Three Months Ended June 30, 2015 and 2016—Customer care and enrollment expenses increased $2.8 million or 36% in the three months ended June 30, 2016 compared to the three months ended June 30, 2015, due primarily to an increase in compensation, benefits and other personnel costs relating to the Medicare-related health insurance business as we retained a larger number of Medicare agents after the last Annual Enrollment Period to support growth in Medicare sales outside of the Annual Enrollment period.

Six Months Ended June 30, 2015 and 2016—Customer care and enrollment expenses increased $1.1 million, or 6%, in the six months ended June 30, 2016 compared to the six months ended June 30, 2015, due primarily to an increase in compensation, benefits and other personnel costs relating to the Medicare-related health insurance business as we retained a larger number of Medicare agents after the last Annual Enrollment Period to support growth in Medicare sales outside of the Annual Enrollment period.

We expect customer care and enrollment expenses to increase in absolute dollars in 2016 compared to 2015 as we retained a larger number of agents after the last Annual Enrollment Period and plan to hire additional customer care center personnel in connection with the upcoming Medicare Annual Enrollment Period to support the growth of our Medicare-related health insurance business.

Technology and Content

The following table presents our technology and content expenses for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Technology and content	$ 8,591	$ 8,289	$ (302)	(4)%	$ 19,364	$ 16,796	$ (2,568)	(13)%
Percentage of total revenue	22%	22%			19%	15%		

Three Months Ended June 30, 2015 and 2016—Technology and content expenses decreased slightly in the three months ended June 30, 2016 compared to the three months ended June 30, 2015.

Six Months Ended June 30, 2015 and 2016—Technology and content expenses decreased $2.6 million, or 13%, in the six months ended June 30, 2016 compared to the six months ended June 30, 2015, primarily due to a decrease in compensation, benefits and other personnel costs due to the reduction-in-force announced in March 2015.

General and Administrative

The following table presents our general and administrative expenses for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
General and administrative	$ 7,516	$ 10,815	$ 3,299	44%	$ 15,489	$ 18,944	$ 3,455	22%
Percentage of total revenue	19%	29%			15%	17%		

Three Months Ended June 30, 2015 and 2016—General and administrative expenses increased $3.3 million, or 44%, in the three months ended June 30, 2016 compared to the three months ended June 30, 2015, due primarily to an increase of $2.2 million in compensation, benefits and other personnel costs resulting from severance and relocation costs from executive changes and an increase of $1.6 million in third party fees related to a review and analysis of strategic plans.

Six Months Ended June 30, 2015 and 2016—General and administrative expenses increased $3.5 million, or 22%, in the six months ended June 30, 2016 compared to the six months ended June 30, 2015, due primarily to an increase of $2.0 million in compensation, benefits and other personnel costs resulting from severance and relocation costs from executive changes and an increase of $1.7 million in third party fees related to a review and analysis of strategic plans.

We expect general and administrative expenses to increase in absolute dollars in 2016 compared to 2015 as a result of severance costs, other personnel costs and stock-based compensation resulting from changes in our executive officers,
a strategic review of our business and government affairs and lobbying expenses.

Restructuring Charges

The following table presents our restructuring charges for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Restructuring charges	$ 58	$ (158)	$ (216)	(372)%	$ 4,541	$ (158)	$ (4,699)	(103)%
Percentage of total revenue	—%	— %			4%	— %		

Three Months Ended June 30, 2015 and 2016—The organizational restructuring and cost reduction plan implemented in March 2015 resulted in additional restructuring expense of $0.1 million related to employee termination costs in China in the three months ended June 30, 2015 compared to a reversal of $0.2 million in other restructuring charges related to facility exit costs as we reoccupied facilities during the three months ended June 30, 2016 which we had previously vacated.

Six Months Ended June 30, 2015 and 2016—The organizational restructuring and cost reduction plan was implemented in March 2015 resulted in additional restructuring charges of $4.5 million These costs consist primarily of $3.9 million for employee termination benefits and related costs as well as $0.6 million in other restructuring charges, primarily relating to facility exit costs. For the six months ended June 30, 2016, we recorded a reversal of $0.2 million in other restructuring charges related to facility exit costs as we reoccupied facilities previously vacated.

Amortization of Intangible Assets

The following table presents our amortization of intangible assets for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Amortization of intangible assets	$ 288	$ 260	$ (28)	(10)%	$ 633	$ 520	$ (113)	(18)%
Percentage of total revenue	1%	1%			1%	—%		

Three Months Ended June 30, 2015 and 2016—Amortization expense related to intangible assets purchased through our acquisition of PlanPrescriber decreased slightly in the three months ended June 30, 2016 compared to the three months ended June 30, 2015 due to certain assets that have been fully amortized compared to the prior period.

Six Months Ended June 30, 2015 and 2016—Amortization expense related to intangible assets purchased through our acquisition of PlanPrescriber decreased slightly in the six months ended June 30, 2016 compared to the six months ended June 30, 2015 due to certain assets that have been fully amortized compared to the prior period.

Other Expense, Net

The following table presents our other expense, net, for the three and six months ended June 30, 2015 and 2016 and the dollar and percentage changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Other expense, net	$ (9)	$ (21)	$ (12)	133%	$ (23)	$ (32)	$ (9)	39%
Percentage of total revenue	— %	— %			— %	— %		

Three Months Ended June 30, 2015 and 2016—Administrative bank fees, foreign exchange losses, management fees and interest expense on our capital lease obligations were partially offset by interest earned on our invested cash and foreign exchange gains in the three months ended June 30, 2016.

Six Months Ended June 30, 2015 and 2016—Administrative bank fees, foreign exchange losses, management fees and interest expense on our capital lease obligations were partially offset by interest earned on our invested cash and foreign exchange gains in the six months ended June 30, 2016.

Provision (Benefit) for Income Taxes

The following table presents our provision for income taxes for the three and six months ended June 30, 2015 and 2016 and the dollar changes from the prior year periods (dollars in thousands):

	Three Months Ended June 30,		Change		Six Months Ended June 30,		Change	
	2015	2016	$	%	2015	2016	$	%
Provision (benefit) for income taxes	$ 69	$ (5,354)	$ (5,423)	(7,859)%	$ 125	$ 284	$ 159	127%
Percentage of total revenue	—%	(14)%			—%	—%		

Three Months Ended June 30, 2015 and 2016—In the three months ended June 30, 2015 and 2016, we recorded a provision (benefit) for income taxes representing effective tax rates of 1% and (92)%, respectively. Our provision for income taxes in the three months ended June 30, 2015 primarily consisted of foreign income taxes and certain discrete items. We recorded a benefit for income taxes in the three months ended June 30, 2016 in order for the year-to-date tax provision to be in line with the estimated annual effective tax rate.

Six Months Ended June 30, 2015 and 2016—In the six months ended June 30, 2015 and 2016, we recorded a provision for income taxes representing effective tax rates of 3% and 2%, respectively. Our provision for income taxes in the six months ended June 30, 2015 primarily consisted of foreign income taxes and certain discrete items. The provision for income taxes in the six months ended June 30, 2016, primarily consisted of foreign income taxes and certain discrete items. We expect the annual effective tax rate to remain consistent for the remaining period in fiscal 2016, excluding the impact of quarterly discrete items.

Liquidity and Capital Resources

At June 30, 2016, our cash and cash equivalents totaled $66.7 million. Cash equivalents, which are comprised of financial instruments with an original maturity of 90 days or less from the date of purchase, consist of money market funds. At December 31, 2015, our cash and cash equivalents totaled $62.7 million. The increase in cash and cash equivalents reflects $7.3 million provided by operating activities, offset by $2.3 million used to purchase property and equipment and other assets and $0.9 million to net-share settle equity awards.

As of June 30, 2016, we have in treasury 443,964 shares that were previously surrendered by employees to satisfy tax withholdings in connection with the vesting of certain restricted stock units. As of December 31, 2015 and June 30, 2016, we had a total of 11,025,933 shares and 11,107,852 shares, respectively, held in treasury.

The following table presents a summary of our cash flows for the six months ended June 30, 2015 and 2016 (in thousands):

	Six Months Ended June 30,	
	2015	2016
Net cash provided by operating activities	$ 1,547	$ 7,256
Net cash used in investing activities	$ (1,432)	$ (2,318)
Net cash provided by (used in) financing activities	$ 273	$ (927)

Operating Activities

Cash provided by operating activities primarily consists of net income, adjusted for certain non-cash items including deferred income taxes, depreciation and amortization, including amortization of intangible assets, stock-based compensation expense and the effect of changes in working capital and other activities.

The timing of the recognition of our commission revenue depends upon the timing of our receipt of commission reports and associated commission payments from health insurance carriers. If we were to experience a delay in receiving a commission payment from a health insurance carrier at the end of a quarter, our operating cash flows for that quarter could be adversely impacted. Additionally, commission override payments are reported to us in a more irregular pattern than premium commissions. For example, a carrier may make a commission override payment to us on an annual basis, which would positively impact our cash flows in the quarter the payment is received.

A significant portion of our marketing and advertising expenses is driven by the number of health insurance applications submitted on our ecommerce platforms. Since our marketing and advertising costs are expensed and generally paid as incurred and the revenue and cash earned from approved applications is recognized and paid as commissions are subsequently reported to us, our operating cash flows could be adversely impacted by a substantial increase in the volume of applications submitted during a quarter or positively impacted by a substantial decline in the volume of applications submitted during a quarter. During open enrollment periods for individual and family health insurance plans, we have experienced an increase in the number of submitted individual and family plan health insurance applications and marketing and advertising expenses compared to outside of open enrollment periods. During the Medicare annual enrollment period, we have experienced an increase in the number of submitted Medicare-related health insurance applications and marketing and advertising expenses compared to outside of Medicare annual enrollment periods. The timing of open enrollment periods for individual and family health insurance and the Medicare annual enrollment period for Medicare-related health insurance may have positive or negative impacts to our cash flows during each quarter. Consistent with prior years, marketing and advertising costs declined in the second quarter compared to the first quarter of 2016 and we expect marketing and advertising costs to decline during the third quarter compared to the first quarter and increase during the fourth quarter of 2016 compared to the third quarter of 2016 due to an increase in submitted applications for individual and family health insurance during the open enrollment period and due to an increase in submitted applications for Medicare plans during the annual enrollment period, which will have a negative impact on our cash flows in the quarter.

All Medicare Advantage and Medicare Part D prescription drug policies are renewed on January 1, resulting in our recording substantially all Medicare Advantage and Medicare Part D prescription drug plan renewal commission revenue in the first quarters of 2015 and 2016. As a result, we did not recognize significant renewal commission revenue in the second quarter of 2016 or second through fourth quarters of 2015 and do not expect significant renewal commission revenue in the third through fourth quarters of 2016. Renewal commissions for Medicare Advantage products are paid monthly; therefore the majority of renewal commissions for that product will be collected in quarters subsequent to the first quarter.

Six Months Ended June 30, 2016— Our operating activities provided cash of $7.3 million during the six months ended June 30, 2016 and consisted of net income of $17.6 million, increased by non-cash items of $8.4 million and offset by cash used by operating assets and liabilities and other activities of $18.7 million. Adjustments for non-cash items primarily consisted of $4.5 million of depreciation and amortization, including amortization of internally-developed software,
book-of-business consideration and intangible assets and $4.0 million of stock-based compensation expense. Cash used by operating assets and liabilities and other activities primarily consisted of an decrease of $4.3 million in accounts receivable, a decrease of $0.6 million in prepaid expenses and other assets, a decrease of $0.6 million in accounts payable, a decrease of $5.9 million in accrued compensation and benefits, a decrease of $9.0 million in accrued marketing expenses, and an increase of $1.8 million in other liabilities.

***Six Months Ended June 30, 2015*—**Our operating activities provided cash of $1.5 million during the six months ended June 30, 2015 and consisted of net income of $3.7 million, increased by non-cash items of $8.9 million and offset by cash used by operating assets and liabilities and other activities of $11.1 million. Adjustments for non-cash items primarily consisted of $5.1 million of depreciation and amortization, including amortization of internally-developed software, book-of-business consideration and intangible assets and $3.9 million of stock-based compensation expense. Cash used by operating assets and liabilities and other activities primarily consisted of a decrease of $2.0 million in accounts receivable, a decrease of $0.2 million in prepaid expenses and other assets, a decrease of $3.9 million in accounts payable, a decrease of $7.0 million in accrued marketing expenses, a decrease of $0.4 million in deferred revenue, an increase of $0.2 million in accrued compensation and benefits, an increase of $0.6 million in accrued restructuring charges and an increase of $1.7 million in other liabilities.

Investing Activities

Our investing activities primarily consist of purchases of computer hardware and software (including capitalized internally-developed software) to enhance our website and to support our growth.

Six Months Ended June 30, 2016—Net cash used in investing activities of $2.3 million during the six months ended June 30, 2016 was due to the $2.3 million purchase of property and equipment and other assets.

Six Months Ended June 30, 2015—Net cash used in investing activities of $1.4 million during the six months ended June 30, 2015 was due to $1.4 million used to purchase property and equipment and other assets.

Financing Activities

Our financing activities primarily consist of net proceeds from the exercise of common stock options, and cash used to net-share settle equity awards. Additionally, in periods in which we have an active stock repurchase program in effect, our financing activities include repurchases of common stock.

Six Months Ended June 30, 2016—Net cash used in financing activities of $0.9 million during the six months ended June 30, 2016 was due to $0.9 million used to net-share settle the tax obligation related to vesting equity awards.

Six Months Ended June 30, 2015—Net cash provided by financing activities of $0.3 million during the six months ended June 30, 2015 was due to proceeds of $1.0 million from the exercise of common stock options offset by $0.7 million used to net-share settle the tax obligation related to vesting equity awards.

Future Needs

We believe that cash generated from operations and our current cash and cash equivalents will be sufficient to fund our operations for at least the next twelve months. Our future capital requirements will depend on many factors, including our level of investment in technology and advertising initiatives. We currently do not have any bank debt, line of credit facilities or other borrowing arrangements. To the extent that available funds are insufficient to fund our future activities, we may need to raise additional capital through public or private equity or debt financing to the extent such funding sources are available.

Contractual Obligations and Commitments

Operating Lease Obligations

We lease our operating facilities and certain of our equipment and furniture and fixtures under various operating leases, the latest of which expires in July 2023. Certain of these leases have free or escalating rent payment provisions. We recognize rent expense on our operating leases on a straight-line basis over the terms of the leases, although actual cash payment obligations under certain of these agreements fluctuate over the terms of the agreements.

In connection with the Mountain View, California lease agreement, we entered into a financial guarantee consisting of a standby letter of credit for $0.6 million, which may be reduced in increments of 25% of the original amount thereof on the first, second and third anniversaries of the commencement date, subject to our compliance with the applicable conditions to such reductions set forth in the lease. The standby letter of credit has since been reduced to $0.3 million.

Service and Licensing Obligations

We have entered into service and licensing agreements with third-party vendors to provide various services, including network access, equipment maintenance and software licensing. The terms of these services and licensing agreements are generally up to three years. We record the related service and licensing expenses on a straight-line basis, although actual cash payment obligations under certain of these agreements fluctuate over the terms of the agreements.

The following table presents a summary of our future minimum payments under non-cancellable operating lease agreements and certain contractual service and licensing obligations as of June 30, 2016 (in thousands):

Years Ending December 31,	Operating Lease Obligations	Service and Licensing Obligations	Total Obligations
2016 (six months)	$ 2,340	$ 1,197	$ 3,537
2017	4,419	2,051	6,470
2018	3,222	646	3,868
2019	1,046	—	1,046
2020	1,075	—	1,075
Thereafter	2,445	—	2,445
Total	$ 14,547	$ 3,894	$ 18,441

Off-Balance Sheet Arrangements

We do not have any off-balance sheet arrangements, investments in special purpose entities or undisclosed borrowings or debt. Additionally, we are not a party to any derivative contracts or synthetic leases.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Our financial instruments that are exposed to concentrations of credit risk principally consist of cash and cash equivalents and accounts receivable. As of December 31, 2015 and June 30, 2016, our cash and cash equivalents were invested as follows (in thousands):

	December 31, 2015	June 30, 2016
Cash (1)	$ 8,086	$ 7,066
Money market funds (2)	54,624	59,648
Total cash and cash equivalents	$ 62,710	$ 66,714

(1) We deposit our cash and cash equivalents in accounts with major banks and financial institutions and such deposits are in excess of federally insured limits. We also have deposits with major banks in China that are denominated in both U.S. dollars and Chinese Yuan Renminbi and are not insured by the U.S. federal government.

(2) At December 31, 2015 and June 30, 2016 money market funds consisted of U.S. government-sponsored enterprise bonds and discount notes, U.S. government treasury bills and notes and repurchase agreements collateralized by U.S. government obligations.

We do not require collateral or other security for our accounts receivable. As of June 30, 2016, one health insurance carrier represented 74% of our $13.9 million outstanding accounts receivable balance. As of December 31, 2015, three health insurance carriers represented 24%, 18% and 15%, respectively, for a combined total of 57% of our $9.6 million outstanding accounts receivable balance. No other customers represented 10% or more of our total accounts receivable at December 31, 2015 and June 30, 2016. We believe the potential for collection issues with any of our customers is minimal as of June 30, 2016. Accordingly, our estimate for uncollectible amounts at June 30, 2016 was not material.

Significant Customers

Substantially all revenue for the three and six months ended June 30, 2015 and 2016 was generated from customers located in the United States. Carriers representing 10% or more of our total revenue in the three and six months ended June 30, 2015 and 2016 are presented in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2016	2015	2016
Humana	13%	16%	26%	27%
Anthem (1)	11%	9%	9%	8%
UnitedHealthcare (2)	11%	13%	10%	11%
Aetna (3)	8%	9%	9%	10%

(1) Anthem includes other carriers owned by Anthem.
(2) UnitedHealthcare includes other carriers owned by UnitedHealthcare.
(3) Aetna includes other carriers owned by Aetna.

Foreign Currency Exchange Risk

To date, substantially all of our revenue has been derived from transactions denominated in United States Dollars. We have exposure to adverse changes in exchange rates associated with operating expenses of our foreign operations, which are denominated in Chinese Yuan Renminbi. Foreign currency fluctuations have not had a material impact historically on our results of operations; however, there can be no assurance that future fluctuations will not have material adverse effects on our results of operations. We have not engaged in any foreign currency hedging or other derivative transactions to date.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Our Disclosure Controls and Procedures

Our management, with the participation of our chief executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures pursuant to Rules 13a-15(b) and 15d-15(b) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this Quarterly Report on Form 10-Q.

Based on management's evaluation, our chief executive officer and principal financial officer concluded that our disclosure controls and procedures are effective to provide reasonable assurance that information we are required to disclose in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the three months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our chief executive officer and principal financial officer, believes that our disclosure controls and our internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II
OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

On January 26 and March 10, 2015, two purported class action lawsuits were filed against us, our former chairman and former chief executive officer, Gary L. Lauer (“Mr. Lauer”), and our former senior vice president and former chief financial officer, Stuart M. Huizinga (“Mr. Huizinga”), in the United States District Court for the Northern District of California. On May 6, 2015, the Court consolidated the two cases. On June 10, 2015, a consolidated complaint was filed. The consolidated complaint alleges that the defendants made false and misleading statements regarding the Company’s financial performance, guidance and operations during an alleged class period of May 1, 2014 to January 14, 2015. The consolidated complaint alleges that we and Messrs. Lauer and Huizinga violated Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder. The consolidated complaint seeks compensatory damages, attorneys’ fees and costs, rescission or a rescissory measure of damages, equitable/injunctive relief and such other relief as the court deems proper. On July 15, 2015, defendants moved to dismiss the consolidated complaint. On March 14, 2016, the court entered an order granting the defendants' motion to dismiss the consolidated complaint with leave to file an amended consolidated complaint within 30 days, which was later extended to April 27, 2016. On April 27, 2016, plaintiff did not file an amended complaint but filed a notice of submission to the court's order dismissing the consolidated complaint. The court entered judgment in favor of defendants on May 27, 2016. Plaintiff did not file an appeal, and the time to appeal has expired.

In May 2016, we received a Notice of Proposed Agency Action and Opportunity for Hearing (the “Notice”) from the Office of the Montana State Auditor, Commissioner of Securities & Insurance (“CSI”). The Notice proposes that the CSI take disciplinary action against a number of parties, including us, for alleged violations of the Montana Insurance Code. Specifically, with respect to us, the Notice alleges that the Company sold short-term health insurance to at least 211 individuals between January 1, 2012 and April 20, 2015 without being appointed by the relevant health insurance carrier in violation of Montana law. The Notice also alleges that we misrepresented pertinent facts or insurance policy provisions in connection with the sale of short-term health insurance and made certain omissions and/or misrepresentations regarding short-term health insurance. The CSI seeks the following relief in the Notice (i) imposition of fines against us not to exceed $5,000 per violation; (ii) issuance of a cease and desist order to enjoin us from violations of the Montana Insurance Code; and (iii) suspension or revocation of our license to sell health insurance in Montana. We cannot estimate the likelihood of liability or the total amount of potential damages, if any, but an adverse result could have a material adverse impact on our financial condition and results of operations.

In the ordinary course of our business, we have received and may continue to receive inquiries from state regulators relating to various matters. We have become, and may in the future become, involved in litigation in the ordinary course of our business. If we are found to have violated laws or regulations in any of the states, we could be subject to various fines and penalties, including revocation of our license to sell insurance in those states, and our business, operating results and financial condition would be harmed. Revocation of any of our licenses or penalties in one jurisdiction could cause our license to be revoked or for us to face penalties in other jurisdictions. In addition, without a health insurance license in a jurisdiction, carriers would not pay us commissions for the products we sold in that jurisdiction, and we would not be able to sell new health insurance products in that jurisdiction. We could also be harmed to the extent that related publicity damages our reputation as a trusted source of objective information relating to health insurance and its affordability. It could also be costly to defend ourselves regardless of the outcome.

ITEM 1A. RISK FACTORS

In addition to other information in this Quarterly Report on Form 10-Q and in other filings we make with the Securities and Exchange Commission, the following risk factors should be carefully considered in evaluating our business as they may have a significant impact on our business, operating results and financial condition. If any of the following risks actually occurs, our business, financial condition, results of operations and future prospects could be materially and adversely affected. Because of the following factors, as well as other variables affecting our operating results, past financial performance should not be considered as a reliable indicator of future performance and investors should not use historical trends to anticipate results or trends in future periods.

Risks Related to Our Business

Changes and developments in the health insurance industry or in the health insurance system in the United States as a result of health care reform could harm our business.

Our business depends upon the private sector of the United States health insurance system, its relative role in financing health care delivery and health insurance carriers' use of, and payment of commissions to, agents and brokers to market health insurance plans. In March 2010, the federal Patient Protection and Affordable Care Act and related amendments in the Health Care and Education Reconciliation Act were signed into law. These health care reform laws contain provisions that have and will continue to change the industry in which we operate in substantial ways. Among several other provisions, health care reform includes a mandate requiring individuals to maintain health insurance or face tax penalties; a mandate that certain employers offer their employees group health insurance coverage or face tax penalties; requirements relating to employer contribution to employee health coverage; prohibitions against insurance companies using pre-existing health conditions as a reason to deny an application for health insurance; prohibitions on rescission of health insurance; prohibitions on lifetime coverage limits; requirements for guaranteed renewability of health insurance plans; health insurance premium setting guidelines; limitations on deductibles and cost-sharing; medical loss ratio requirements that require each health insurance carrier to spend a certain percentage of their premium revenue on reimbursement for clinical services and activities that improve health care quality and, if they do not, to provide rebates to policyholders; minimum benefit levels for health insurance plans, including actuarial value standards and limitations on annual coverage limits; taxes and assessments on health insurance carriers; establishment of state and/or federal health insurance exchanges to facilitate access to, and the purchase of, health insurance; open enrollment periods for the purchase of individual and family health insurance; assistance for member run health insurance issuers; creation of multi-state health insurance plans to be offered on the exchanges and with oversight from the Office of Personnel Management; requirements for uniform disclosure relating to the costs and benefits of health insurance; government subsidized high risk pools; an expansion of Medicaid so that more individuals will be insured under state Medicaid programs; and subsidies and cost-sharing credits to make health insurance more affordable for those below certain income levels. Many of the significant aspects of health care reform went into effect in 2014, although certain provisions were effective prior to 2014, such as medical loss ratio requirements for individual and family and small business health insurance and a requirement that persons 26 years of age and younger be able to stay on a parent's health insurance plan. Health care reform legislation required various departments of the executive branch to adopt regulations implementing its provisions. In addition, state governments have adopted, and will continue to adopt, changes to their existing laws and regulations in light of federal health care reform legislation and regulations. The implementation of health care reform has increased and could further increase our competition and could reduce or eliminate the need for health insurance agents or demand for the health insurance for individuals, families or small businesses that we sell; decrease the number of health insurance plans that we sell as well as the number of health insurance carriers offering them; cause a substantial reduction in our membership and revenue; cause us to incur increased expense across our business and cause health insurance carriers to reduce our commissions and other amounts they pay for our services or change our relationship with them in other ways, any of which could materially harm our business, operating results and financial condition. In addition, various aspects of health care reform have caused and could continue to cause health insurance carriers to determine to limit the type of health insurance plans we sell and the geographies in which we sell them, to reduce or eliminate the commissions we receive from them on the sale of health insurance plans, to exit the business of selling insurance plans in a particular jurisdiction, to eliminate certain categories of products or attempt to move members into new plans for which we receive lower or no commissions, any of which could materially harm our business, operating results and financial condition.

Beginning in 2014, health insurance carriers offering coverage in the individual or small business health insurance market must continue to ensure that such coverage meets certain actuarial value standards, includes certain minimum health benefits and is not subject to lifetime or, for most health insurance benefits, annual dollar amount coverage limits. Moreover, health insurance carriers cannot deny individuals health insurance for health reasons. Individuals also are required to hold plans providing minimum essential coverage to meet the mandate for health insurance and avoid a tax penalty. The cost of health insurance has generally increased and several health insurance carriers have indicated that they are suffering financial losses in

their individual and family health insurance business, particularly with respect to their sale of qualified health plans offered through government-run health insurance exchanges. As a result, certain major health insurance carriers for which we have sold individual and family health insurance have announced plans to exit the business of selling individual and family health insurance in a significant number of markets. As a result of these circumstances, certain major health insurance carriers for which we have sold individual and family health insurance have indicated that they do not plan to sell qualified health plans to subsidy-eligible individuals through the FFM and that they are exiting the individual and family health insurance market altogether in a large number of states. If health insurance carriers decline to sell individual and family health insurance, the number of plans offered on our website will be reduced, which could decrease demand for the individual and family health insurance that we sell and harm our business, operating results and financial condition. In addition, a significant number of our members have purchased their individual and family health insurance from carriers exiting the individual and family health insurance market. These members will lose their health insurance plans and will need to shop for and purchase individual and family health insurance from another health insurance carrier during the upcoming open enrollment period if they desire to maintain individual and family health insurance. These circumstances could result in increased attrition in our membership, a reduction in our commission revenue and otherwise harm our business, operating results and financial condition. If additional health insurance carriers determine not to sell qualified health plans or exit the business of selling individual and family health insurance in certain states or altogether, the impact on our individual and family membership and commission revenue will likely be more pronounced. In addition, we anticipate that premiums for individual and family health insurance will generally increase, perhaps substantially. If the cost of health insurance increases, we could experience a reduction in demand for the individual and family health insurance that we sell, which could cause us to suffer a substantial reduction in our membership and materially harm our business, operating results and financial condition. Moreover, compared to the increased cost of individual and family health insurance plans, government subsidies to purchase health insurance and the health care reform tax penalty may not be sufficient enough to drive a substantial number of new entrants into the individual and family health insurance market or incentivize our existing members to maintain their individual and family health insurance plans, which could contribute to a decline in our membership and materially harm our business, operating results and financial condition.

If we are not successful in retaining our existing members and enrolling a large number of individuals and families into individual and family health insurance plans during enrollment periods, our business will be harmed.

As a result of health care reform, individual and family health insurance is required to be purchased during an open enrollment period. The most recent open enrollment period for individual and family health insurance began on November 1, 2015 and ended on January 31, 2016 for coverage effective in 2016. Outside of the open enrollment period, individuals and families can only purchase new or change their existing individual and family health insurance if they qualify for a special enrollment period, which requires certain qualifying events such as losing employer-sponsored health insurance or moving to another state. Our revenue depends in large part on the number of paying individual and family health insurance members we are successful in retaining and the number of individual and family health insurance members we acquire during the health care reform open enrollment period. We may not be successful in retaining or acquiring individual and family health insurance plan members for a number of reasons. If we are unsuccessful, our business, operating results and financial condition would be harmed. For example, we have experienced increased member attrition rates since the implementation of health care reform. We also experienced lower than expected individual and family health insurance application volumes during the last two open enrollment periods. These circumstances have resulted in lower individual and family health insurance plan membership. Open enrollment periods of limited duration in the individual and family health insurance markets have resulted, and may in the future result in a reduction in our membership and revenue; an increase in our expenses, particularly during the open enrollment periods; and otherwise may harm our business, operating results and financial condition, particularly given that the open enrollment period for individual and family health insurance overlaps with the annual enrollment period for the Medicare plans that we sell.

It may be difficult for the health insurance agents we employ and our systems and processes to handle as a business the increased volume of health insurance transactions that occur in a short period of time during the health care annual open enrollment period and/or the Medicare annual enrollment period. We hire a significant number of additional employees on a temporary or seasonal basis in a limited period of time to address the expected increase in the volume of health insurance transactions during the Medicare annual enrollment period. We must ensure that these employees are timely licensed, trained and certified and have the appropriate authority to sell health insurance in a number of states. We depend upon state departments of insurance, government exchanges and health insurance carriers for the licensing, certification and appointment of our health insurance agent employees. If our ability to market and sell individual and family health insurance or Medicare-related health insurance is constrained during an enrollment period for any reason, such as technology failures, reduced allocation of resources, any inability to timely license, train, certify and authorize our employees to sell health insurance, interruptions in the operation of our website or systems, or issues with government-run health insurance exchanges, we could suffer a reduction in our membership and our business, operating results and financial condition could be harmed. In addition, we have reduced our employee and other resources as a part of expense reduction measures. Our expense reductions measures

have negatively impacted the resources that we dedicate to the sale of individual and family health insurance, have caused us to sell less individual and family health insurance, and could harm our business, operating results and financial condition in the future.

If investments we make in enrollment periods do not result in a significant number of paying members, our business, operating results and financial condition would be harmed.

In an attempt to attract and enroll a large number of individuals during the Medicare annual enrollment period and the health care reform open enrollment period, we may invest in areas of our business, including technology and content, customer care and enrollment, and marketing. During 2014, our technology and content expense increased as a result of our investment in our technology platform. We also increased staffing in our customer care center in anticipation of higher demand and application volume during the most recent open enrollment period for coverage effective 2015. Despite our investment in these and other areas, our individual and family health insurance membership declined. While we may not determine to invest heavily in the health care reform open enrollment period, any investment we make in either the Medicare annual enrollment period or the health care reform open enrollment period may not result in a significant number of paying members. If it does not, our future profitability will be negatively impacted and our business, operating results and financial condition would be harmed.

Our business may be harmed if we are not successful in enrolling subsidy-eligible individuals through government-run health insurance exchanges.

As a part of health care reform, each state is required to implement a health insurance exchange where individuals and small businesses can purchase health insurance. For states that do not implement a health insurance exchange, the federal government has implemented and is operating the exchange for that state. The Federally-Facilitated Marketplace, or FFM, operated some part of the health insurance exchange in 37 states for the open enrollment period that began November 1, 2015 and ended on January 31, 2016. It may operate the health insurance exchange for a fewer or greater number of states in the future. Beginning in 2014, individuals and families whose incomes are between 133% and 400% of the federal poverty level are generally entitled to subsidies in connection with their purchase of health insurance. A federal regulation promulgated under the Patient Protection and Affordable Care Act clarifies that states may, but are not required to, allow agents and brokers such as us to market the qualified health plans offered on government-run health insurance exchanges and that are the plans that subsidy-eligible individuals must purchase in order to receive their subsidies. In order to offer qualified health plans, agents and brokers must meet certain conditions, such as receiving permission to do so from the health insurance exchange, entering into an agreement with the health insurance exchange, ensuring that the enrollment and subsidy application is completed through the state's health insurance exchange (or the FFM in states that did not establish their own exchange) and complying with privacy, security and other standards, some of which have been recently issued and contain requirements that are new to us. In the event Internet-based agents and brokers such as us use the Internet for completion of qualified health plan selection purposes, their websites are required to meet certain additional conditions, such as compliance with standards for display of health plan and related information; providing consumers the ability to view all health plans offered on the government-run exchange; displaying certain health plan and other data available on the exchange; and providing a mechanism for consumers to withdraw from the application process on the agent or broker's website. A large segment of the population is eligible for subsidies in connection with the purchase of health insurance, and a substantial number of our existing members may be eligible for subsidies. We have determined to focus on enrolling individuals in qualified health plans through FFM as opposed to states operating their own health insurance exchanges. As a result, we may lose existing members who reside in states not supported by FFM and may not gain new subsidy-eligible members in those states, which could harm our business, operating results and financial condition. In addition, we may experience difficulty in satisfying the conditions and requirements to offer qualified health plans to our existing members and new potential members and in enrolling them through the FFM and other government-run health insurance exchanges should we determine to offer qualified health plans through those other exchanges. If we are not able to satisfy these conditions and requirements, or if we are not able to successfully adopt and maintain solutions that allow us to enroll large numbers of individuals and families in qualified plans over the Internet both during and outside of open enrollment periods, we will lose existing members and new members, and may incur additional expense, which would harm our business, operating results and financial condition.

In order to sell qualified health plans to subsidy eligible individuals during the open enrollment period, we must establish and maintain relationships with government-run health insurance exchanges, particularly the FFM, and given that at least a part of the qualified health insurance plan enrollment process must occur through the health insurance exchanges, we must maintain our technology platform to be able to enroll consumers in qualified health plans through the FFM in a scalable manner. If we are not able to adopt and maintain solutions to integrate with government-run health insurance exchanges or if the health insurance exchange websites and other processes are not consumer friendly, efficient and compatible with the process we have developed for enrolling individuals and families into qualified health plans through the exchanges, we would not be

successful in retaining and acquiring members, and our business, operating results and financial condition would be harmed. The Centers for Medicare and Medicaid Services, or CMS, has broad authority over the requirements that we must meet in order to enroll individuals into qualified health plans through the FFM, and in addition to issuing new requirements, has the authority to interpret existing requirements. For example, CMS directed us to alter our method of enrolling subsidy eligible individuals into qualified health insurance plans beginning in February 2016. The change required us to cease using the online process we developed for enrolling individuals into qualified health plans through the FFM and use a prescribed FFM process. As a result of the changes that we made to our online process in response to CMS requirements, we experienced a reduction in the rate at which individuals and families starting the application process for qualified health plan and subsidies became members. The FFM may not improve the process to a significant degree for the upcoming open enrollment period, and if it does not do so, we may have difficulty enrolling, and may not be able to enroll, individuals in qualified health plans in an efficient and scalable manner both during and outside of the annual open enrollment period and our number of qualified health plan enrollments could decline, which would result in our loss of existing members and new potential members, a reduction in our individual and family health insurance plan membership and harm our business, operating results and financial condition. We may also determine to significantly deemphasize our sale of qualified health plans through the FFM, which would result in a reduction in our individual and family and ancillary health insurance product membership and harm our business, operating results and financial condition. We may also be required to incur additional expense in enrolling subsidy eligible individuals in qualified health plans which would increase our cost of acquisition. In addition, health insurance exchange websites, systems and infrastructure must be operational and not suffer significant outages or technical problems as a result of the number of individuals attempting to enroll in qualified health plans or for other reasons. If exchanges experience these problems, particularly the FFM, we would not be successful in retaining and acquiring new individual and family health insurance plan members, and our business, operating results and financial condition would be harmed.

We have entered into agreements with CMS relating to our ability to enroll individuals in qualified health plans through the FFM. The agreements contain comprehensive privacy and security and other requirements. In order to be able to enroll individuals into qualified health plans, we also must satisfy several other regulatory requirements and comply with additional laws and regulations. There are risks and uncertainties relating to our ability to enroll individuals into qualified health plans online through the FFM. Among other things, we must maintain our agreements with the FFM which need to be renewed every year; satisfy the requirements contained in the relevant agreements as well as applicable laws and regulations; maintain a compliant Internet platform incorporating those requirements; maintain qualified health plan information from health insurance carriers and CMS and incorporate it into our web platform; maintain a privacy and security program to conform to the privacy and security requirements of our agreement with CMS as well as applicable laws and regulations; and adopt and maintain solutions to integrate with the FFM so that information may be passed to and from us relating to enrollment in qualified health plans and subsidy eligibility. If we do not comply with applicable laws, regulations and requirements, our ability to enroll individuals in qualified health plans through the FFM could be terminated and we may be required to pay significant monetary penalties, which would harm our business operating results and financial condition. The laws, regulations and requirements applicable to enrolling individuals in qualified health plans through government-run health insurance exchanges are evolving. For example, we are required to translate significant portions of our website into Spanish for the next open enrollment period in certain jurisdictions in order to be able to offer qualified health plans to individuals in states where greater than 10% of the state's population is Spanish speaking (currently California and Texas), and we may not meet this requirement and be able to offer qualified health plans in those states. Our ability to maintain compliance with the various requirements to enroll individuals through the FFM has presented, and could in the future present, significant challenges for us. If we are not successful in these regards, we will not be successful in enrolling individuals and families into qualified health plans, which would harm our business, operating results and financial condition. We also depend upon the Federal government for a number of things relating to our ability to enroll individuals online into qualified health plans through the FFM, including certain qualified health plan information that is required under the applicable regulations to be displayed on our website. In addition, the FFM may at any time cease allowing us to enroll individuals in qualified health plans or change the requirements for doing so and must allocate resources to ensuring, and otherwise ensure, that its technology platform functions properly to enroll individuals online with an adequate customer experience and that results in our receiving credit for enrollments so that we may be paid a commission. We also depend on the FFM to maintain and permit us to use certain access points to the FFM in order for us to be able to assist individuals in applying for subsidies and enrolling in qualified health plans online. If the FFM does not maintain or permit us to use these access points, if the FFM changes them so that the technology we developed to integrate with the FFM does not work or results in errors, if CMS requests further changes to our online process for enrolling individuals into qualified health plans, or if our technology and website or the FFM's technology or website do not function or work together properly to allow us to assist with subsidy applications and enroll large numbers of individuals into qualified health plans in a short period of time, our business, operating results and financial condition would be harmed, particularly if we were not able to scalably and efficiently enroll individuals into qualified health plans online during the open enrollment period for individual and family health insurance. In addition, instability or changes to either the FFM website, particularly the portions used by consumers who are referred by agents and brokers, or other FFM operations relating to agent and broker

assisted enrollment in qualified health plans, could negatively impact our ability to retain existing members and add new members and would harm our business, operating results and financial condition.

While the FFM has developed a platform that we can use to assist individuals and families in applying for subsidies and enrolling in qualified health plans online, none of the states that operate their own health insurance exchanges have developed this capability. As a result, while we have assisted subsidy eligible individuals in applying for qualified health insurance plans in non-FFM states, we are not able to do so entirely online. If these state exchanges do not adopt processes and technology that allow us to assist subsidy-eligible individuals in enrolling through these exchanges over the Internet and without use of health insurance agents in our customer care centers, we will not be able to effectively enroll subsidy eligible individuals in these states, and our business, operating results and financial condition will be harmed.

In part to attempt to satisfy the conditions necessary for us to use our Internet technology platform to enroll individuals into qualified health plans as a health insurance agent, and assist individuals in applying for subsidies through government-run health insurance exchanges, we have incurred significant operating expenses. The operating expenses that we incur may not result in increased revenue for a number of reasons both within and outside of our control. If our revenue does not offset our costs and operating expenses, our financial condition and results of operations could be negatively affected. For instance, we incurred significant technology and content expense in part to develop the capability to enroll individuals into qualified health insurance plans through exchanges. Despite our investment in this regard, our individual and family health insurance plan membership has declined. Furthermore, CMS has recently directed us to make changes to that process. If we are not successful in leveraging our technology to enroll subsidy-eligible individuals through the FFM in a scalable and efficient manner, do not successfully adopt or CMS does not adopt solutions that enable online enrollment through government-run health insurance exchanges in an ecommerce friendly experience, or either we or the government-run exchanges experience technical or other problems in connection with the enrollment of individuals in qualified health plans, we will lose existing members and new members or may not receive commissions for the plans that we sell through the government-run exchanges. We have also reduced headcount and other expenses across our business. We anticipate this reduction, implemented in March 2015, will make it more difficult for us to enroll individuals through health insurance exchanges and otherwise, which could result in a reduction in our membership and our commission revenue.

We depend upon health insurance carriers and government-run health insurance exchanges to adopt and maintain systems and processes that can handle sales of individual and family health insurance outside of the open enrollment period to those who qualify for special enrollment periods, which may include systems and processes that verify whether individuals and families are permitted to purchase individual and family health insurance outside of the open enrollment period. The failure of health insurance exchanges to develop these systems and processes has negatively impacted our ability to sell qualified health plans using our technology platform outside of the open enrollment period. If these systems and processes are not developed, are not maintained or are not compatible with our platform and processes for selling individual and family health insurance, our ability to sell individual and family health insurance outside of the open enrollment period will be negatively impacted, which could harm our business, operating results and financial condition, particularly given that we have reduced headcount relating to our ability to sell individual and family health insurance and will need to rely more on our technology to do so. In addition, CMS recently announced that it was eliminating certain exceptions that would allow individuals and families to enroll in health insurance during a special enrollment period and that individuals and families will be subject to increased verification of the grounds for any special enrollment period that they claim, which could reduce the number of individuals and families that are able to purchase health insurance in special enrollment periods and harm our business, operating results and financial condition.

If we do not successfully compete with government-run health insurance exchanges, our business may be harmed.

We compete with government-run health insurance exchanges, among others. Among other things, the exchanges may elect whether or not we are able to enroll subsidy-eligible individuals in qualified health plans through them and determine the manner in which we may do so. The exchanges have websites where individuals and small businesses can shop for and purchase health insurance, and they also have offline customer support and enrollment capabilities. Individuals who are eligible for government subsidies in the form of premium tax credits and cost sharing reductions must apply for their subsidy and purchase qualified health plans through a government exchange to receive their subsidy. In the aggregate, government exchanges have greater resources, larger marketing budgets and greater public outreach capability than we do. They may also impact the process we use to enroll individuals and families through them in a manner that results in a reduction of the individuals and families that we are able to enroll through exchanges. Government exchanges may invest heavily in paid search advertising to a degree that increases paid search advertising cost for health insurance related Internet search terms. In addition, individuals that utilize our platform and services to apply for subsidies and health insurance through government exchanges receive marketing and communications from the government exchanges after they do so. In the event our existing members purchase health insurance directly through health insurance exchanges without using us as their health insurance agent, as a result of their being eligible for a subsidy or otherwise, we will no longer receive commission revenue as a result of our sale of

health insurance to them. The exchanges also compete with us for new members, and under regulations adopted as a part of health care reform, government-run health insurance exchanges are required to automatically re-enroll individuals and families into a qualified health insurance plan purchased through the exchange if the individuals or families do not take affirmative action, which may inhibit our ability to grow our membership. Competitive pressure from government-run health insurance exchanges has resulted, and may in the future result, in our experiencing increased marketing costs, decreased traffic to our website, a reduction in our individual and family health insurance membership and revenue and may otherwise harm our business, operating results and financial condition.

Our revenue will be adversely impacted if commission rates decline or if consumers choose health insurance products for which we receive lower or no commissions.

Our revenue will be adversely impacted if our commission rates decline. The commission rates we receive are impacted by a variety of factors, including the particular health insurance plans chosen by our members, the carriers offering those plans, our members' states of residence, the laws and regulations in those jurisdictions, the average premiums of plans purchased through us and health care reform. Our commission revenue per member has in the past decreased, and could in the future decrease, as a result of either reductions in contractual commission rates, unfavorable changes in health insurance carrier override commission programs, or the mix of carriers whose products we sell during a given period, all of which are beyond our control and may occur on short notice. To the extent these and other factors cause our commission revenue per member to decline, our revenue may decline and our business, operating results and financial condition would be harmed.

Our revenue will be adversely impacted if consumers enroll in Medicare or individual and family health insurance plans that reduce our average commission revenue per member. Due in part to health care reform, some health insurance carriers have exited or reduced individual and family health insurance selling efforts in certain markets, leading to changes in the health insurance carrier composition of our commission revenue. Since our commission rates vary by carrier, a shift in the mix of products selected by our new members will have an impact on our average commission revenue per member. Some health insurance carriers, including large national health insurance carriers, have recently reduced or eliminated our commission rates for individual and family health insurance products because they no longer want us to sell them. As a result, we may elect not to offer those carriers' individual and family health insurance products for sale on our website. Any reduction in the supply of the individual and family health insurance offered on our website may adversely impact demand for the individual and family health insurance we sell, and if individuals and families do not purchase health insurance through us as a result of these circumstances, our business, operating results and financial condition would be harmed. While health insurance carriers that have reduced or eliminated individual and family health insurance commissions have generally informed us that they anticipate paying us commissions for individual and family health insurance that we sell during the upcoming open enrollment period, if they do not do so or if they do not increase our commissions to pre-reduction levels, our business, operating results and financial condition would be harmed. In addition, we are required to display or provide access to all qualified health insurance plans available through the FFM in our individual and family health insurance shopping process regardless of whether we receive commissions for the sale of those plans. If consumers choose health insurance products for which we receive lower or no commissions, our commission revenue per member could decline and our business, operating results and financial condition would be harmed.

Given that Medicare related and individual and family health insurance purchasing is concentrated during the annual open enrollment periods, a reduction in our average commission revenue per member could occur over a short period of time and could adversely impact our revenue in future periods, which would harm our business, operating results and financial condition.

Our business may be harmed if we lose our relationship with health insurance carriers or our relationship with health insurance carriers is modified.

We typically enter into contractual agency relationships with health insurance carriers that are non-exclusive and terminable on short notice by either party for any reason. In many cases, health insurance carriers also may amend the terms of our agreements unilaterally on short notice. Carriers may be unwilling to allow us to sell their existing or new health insurance plans, or desire to amend our agreements with them, for a variety of reasons, including for competitive or regulatory reasons, dissatisfaction with the economics of the members that we place with them or because they do not want to be associated with our brand. We may also terminate our relationship with health insurance carriers. In addition, many aspects of health care reform have caused, and may in the future cause, carriers to modify their relationship with us given the substantial changes in the industry in which we operate. For instance, in addition to the medical loss ratio requirements, health care reform contains taxes and assessments on health insurance carriers that may make their businesses less profitable. Carriers may choose to exclude us from their most profitable or popular plans or may determine not to distribute health insurance plans in the Medicare, individual and family and small business markets in certain geographies or altogether. A small number of health

insurance plans have limited our relationship with them so that we are able to only sell their qualified health plans through government-run health insurance exchanges and do not permit us to sell their individual and family health insurance plans outside of those exchanges. In the event we are not successful in gaining or maintaining the ability to sell Medicare, individual and family and qualified health insurance plans, if health insurance carriers pay us no commissions or reduced commissions in connection with the sale of these plans or if health insurance carriers change our relationship with them in other ways, we could lose a substantial number of existing and potential members and commission revenue, which would materially harm our business, operating results and financial condition. The termination of our relationship with a health insurance carrier by us or the health insurance carrier or the amendment of or change in our relationship with a carrier could reduce the variety of health insurance plans we offer, cause a loss of commission revenue or have other adverse impacts, which could harm our business, operating results and financial condition. It also could adversely impact, or cause the termination of, commissions for past and future sales, which would materially harm our business, operating results and financial condition. Our business could also be harmed if in the future we fail to develop new carrier relationships and are unable to offer consumers a variety of health insurance plans in each jurisdiction.

Several health insurance carriers have recently publicly indicated that they are suffering losses in their individual and family health insurance businesses as a result of the impact of health care reform and have recently reduced or eliminated our individual and family health insurance commissions for new sales of individual and family health insurance products. While certain health insurance carriers that reduced or eliminated commissions have indicated that they plan to increase commission rates for individual and family health insurance sold in the open enrollment period, they are not obligated to do so and may determine not to increase commission rates or may pay no commissions for the sale of individual and family health insurance during the open enrollment period. If they do not increase commission rates to levels that existed prior to the reductions, our business, operating results and financial condition could be materially harmed. In addition, the reduction in contractual commission rates and these carriers' desire to not sell individual and family health insurance outside of the open enrollment period will reduce the plans that we are able to offer on our websites, which could result in less consumer demand for the individual and family health insurance that we sell, a reduction in our membership and harm our business operating results and financial condition. In the future and as a result of health care reform or for other reasons, an increasing number of health insurance carriers may decide to reduce our commissions, rely on their own internal distribution channels, including in-house agents and carrier websites, to sell their own plans, determine not sell individual and family health insurance or otherwise limit or prohibit us from selling their plans on their ecommerce platforms. In addition to reducing commission rates, health insurance carriers have ceased and may in the future cease selling qualified health plans or individual and family health insurance in certain markets or altogether. They may also determine to exit the individual and family health insurance business in certain states or increase premiums to a significant degree, which could cause our members' health insurance to be terminated or our members to purchase new health insurance. If we lose these members, our business, operating results and financial condition could be harmed. In addition, a reduction in the individual and family health insurance products that we are able to offer as a result of carriers exiting the market in certain geographies or altogether, could adversely impact demand for our services and a reduction in our membership, which would harm our, business, operating results and financial results.

Changes in our management and key employees could affect our business and financial results.

Our success is dependent upon the performance of our executive officers and key personnel. Our executive officers and employees can terminate their employment at any time. We have recently experienced significant changes in our senior management. Our former chief executive officer Gary L. Lauer resigned in May 2015, and Scott N. Flanders, a member of our board of directors, was appointed as our chief executive officer. In June 2016, William T. Shaughnessy resigned from his positions as president, chief operating officer and a member of our board of directors. Our former chief financial officer, Stuart M. Huizinga, resigned in July 2016, and our new senior vice president and chief financial officer David K. Francis began his service with us in July 2016. This transition in senior management could adversely impact our business, operating results and financial condition as it will take time for our new chief executive officer and chief financial officer to integrate into our business. The transition and the departure of members of our senior management could result in further attrition in our senior management and key personnel, which could harm our business, operating results and financial condition. In connection with the transition, our new chief executive officer initiated a strategic review of our business that is currently in process and that may result in changes in our business strategy as well as our entering into new businesses. The strategic review could result in our taking actions that have significant financial implications and could harm our operating results and financial condition in the near term.

The loss of the services of any of our executive officers or key employees could harm our business. For example, we appoint a single writing agent with each insurance carrier. If we lose the service of our appointed writing agent, the duties of writing agent will need to be transitioned to other company personnel. Due to our national reach and the large number of carrier partners whose policies are purchased by our members, this transition may be difficult and requires a significant period of time to complete. If the transition is not successful or takes too long to complete, our agency relationship with particular insurance carriers may be terminated, our commission payments could be discontinued or delayed and, as a result, our business, operating results and financial condition would be harmed. Our success is also dependent upon our ability to attract and retain qualified personnel for all areas of our organization. We may not be successful in attracting and retaining personnel on a timely basis, on competitive terms or at all. If we are unable to attract and retain the necessary personnel, our business would be harmed.

Significant consolidation in the health insurance industry could alter our relationships with carriers and harm our business and financial results

The health insurance industry in the United States has experienced a substantial amount of consolidation, resulting in a decrease in the number of health insurance carriers. Significant additional consolidation may occur given the proposed acquisition of Humana by Aetna and the proposed acquisition of Cigna by Anthem. Consolidation in the health insurance industry could cause a loss of or changes in our relationship with carriers and reduction in our commission or other revenue, which could harm our business, operating results and financial condition. In the future, we may be forced to offer health insurance from a reduced number of insurance carriers or to derive a greater portion of our revenue from a more concentrated number of carriers as our business and the health insurance industry evolve. Revenue derived from Humana represented approximately 13% and 16% of our total revenue in the three months ended June 30, 2015 and 2016, respectively. Revenue derived from Humana represented approximately 26% and 27% of our total revenue in the six months ended June 30, 2015 and 2016, respectively. Revenue derived from carriers owned by UnitedHealthcare represented approximately 11% and 13% of our total revenue in the three months ended June 30, 2015 and 2016, respectively. Revenue derived from carriers owned by UnitedHealthcare represented approximately 10% and 11% of our total revenue in the six months ended June 30, 2015 and 2016, respectively. Revenue derived from carriers owned by Aetna represented approximately 8% and 9% of our total revenue in the three months ended June 30, 2015 and 2016, respectively. Revenue derived from carriers owned by Aetna represented approximately 9% and 10% of our total revenue in the six months ended June 30, 2015 and 2016, respectively. We have several agreements that govern our sale of health insurance plans with these health insurance carriers. They may be unilaterally amended or terminated by the carrier on short notice and the amendment or termination could adversely impact or cause the termination of the commission payments that we receive from these health insurance carriers, including commissions on plans that we have already sold, which could materially harm our business, operating results and financial condition. Our revenue could be adversely impacted if we are unable to maintain currently-existing levels of business with any of our significant health insurance carriers if we are unable to offset any loss of business with alternative health insurance carriers. We expect that a small number of health insurance carriers will account for a significant portion of our revenue for the foreseeable future and any impairment of our relationship with, or the material financial impairment of, these health insurance carriers could adversely affect our business.

Our business may be harmed if certain aspects of the Patient Protection and Affordable Care Act that are beneficial to our business are successfully challenged and held unenforceable by the courts or if the Patient Protection and Affordable Care Act is changed as a result of elections.

A number of lawsuits have been filed challenging various aspects of the Patient Protection and Affordable Care Act and related regulations. In the event these lawsuits are successful and result in the unenforceability of aspects of the law or regulations that are beneficial to our business or cause changes in the health insurance industry that are adverse to our business, our business, operating results and financial condition could be harmed. In addition, the efficacy of the Patient Protection and Affordable Care Act is the subject of much debate among members of Congress and the public. Efforts to date to amend or repeal the law have generally been unsuccessful as a result of the balance of power in Congress and the President’s veto power. However, the upcoming Presidential election and future Congressional elections may result in the election of individuals that have different views with respect to health care reform compared to the current administration and Congress. If the Patient Protection and Affordable Care Act is amended or repealed as a result of any change in the balance of power in Congress or as a result of the election of a new President, such amendment or repeal could harm our business, operating results and financial condition. In addition, even if the Patient Protection and Affordable Care Act is not amended or repealed, the President and the executive branch of the Federal government have a significant impact on the implementation of the provisions of the law, and the new President's administration could make changes impacting the implementation of the Patient Protection and Affordable Care Act, which could harm our business, operating results and financial condition.

Our future operating results are likely to fluctuate and could fall short of expectations.

Our operating results are likely to fluctuate as a result of a variety of factors, including the factors described elsewhere in this Risk Factors section, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful and you should not rely on our past results as an indication of our future performance, particularly in light of the fact that our business and industry are undergoing substantial change as a result of health care reform. If our revenue or operating results differ from our guidance or fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. In the past, when our revenue and operating results differed from our guidance and the expectations of investors or securities analysts, the price of our common stock was impacted.

Our business model is characterized primarily by revenue based on commissions we receive from insurance carriers whose policies are purchased by our members. For both Medicare Advantage and Medicare Part D prescription drug plans, we record commission revenue on an annual basis but may receive commission payments from insurance carriers on either a monthly or annual basis typically for a period of at least six years, depending on the carrier arrangement, provided that the policy remains active with us and we remain the agent on the policy. We receive commissions and record related revenue for an individual and family, small business, ancillary or Medicare Supplement health insurance policy, typically on a monthly basis, until the health insurance policy is cancelled or we otherwise do not remain the agent on the policy. A significant component of our marketing and advertising expenses consists of expenses incurred in search engine advertising at the time a consumer clicks on an advertisement and payments owed to our marketing partners in connection with applications submitted on our ecommerce platforms by potential members referred to us by our marketing partners. As a result of any timing difference between expense and associated revenue recognition, our operating results and cash flows may be adversely affected in periods where we experience a significant increase in new applicants. For example, the Medicare annual enrollment period and the implementation of health care reform open enrollment periods for individual and family health insurance have in the past caused a substantial number of health insurance applications to be submitted through us in a short period of time and a substantial increase in marketing and advertising expenses. Because commission revenue related to any submitted applications that result in paying members is not recognized until future periods, the marketing and advertising expense associated with the submitted applications has a negative impact on operating results and cash flows in the period in which the submitted applications were received. In addition, if we incur other unanticipated or one-time expenses in a particular quarter, lose a significant amount of our member base for any reason or our commission rates are reduced, through a change in the health insurance products chosen by our members, carrier reduction in our commission rates or otherwise, the impact of our incurring increased marketing and advertising expenses would be especially pronounced and we would likely be unable to offset these expenses by increasing sales within that quarter or to replace lost revenue in the quarter with revenue from new members and our business, operating results and financial condition would be harmed.

Seasonality may cause fluctuations in our financial results.

The seasonality of our business is outside of our control. For example, the health care reform open enrollment period has changed the seasonality of our individual and family health insurance business. Since the fourth quarter of 2013, we have experienced a greater number of individual and family health insurance submitted applications in the fourth quarter and first quarter and a lower number of submitted applications in the second and third quarter of the year compared to periods prior to the introduction of open enrollment periods. The seasonality in our business could change in the future for a number of reasons, including as a result of changes in timing of the Medicare or individual and family health plan annual open enrollment periods and changes in, and the enforceability of, the laws and regulations that govern the sale of health insurance. We may not be able to timely adjust to changes in the seasonality of our business. For example, if the timing of the open enrollment periods for Medicare-related health insurance or individual and family health insurance change, we may not be able to timely adapt to changes in customer demand. If we are not successful in responding to changes in the seasonality of our business, our business, operating results and financial condition could be harmed. Additional information regarding the seasonality in our business is included in Part I, Item 1 *Business* and Item 7 *Management's Discussion and Analysis of Financial Condition and Results of Operations* and elsewhere in the Annual Report on Form 10-K.

Our revenue will be adversely impacted if our membership does not grow or if we are unable to retain our existing members.

Our estimated individual and family health insurance plan membership has declined substantially since the implementation of health care reform. Our revenue has been, and will continue to be, adversely impacted if our membership does not grow. We receive revenue from commissions health insurance carriers pay to us for health insurance policies sold through our ecommerce platform. When one of these policies is canceled, or if we otherwise do not remain the agent on the policy, we no longer receive the related commission revenue. Our members may choose to discontinue their health insurance policies for a variety of reasons. For example, our members may replace a health insurance policy purchased through us with a health insurance policy provided by a new or existing employer or may determine that they can no longer afford health insurance. They may also determine that they do not like the benefits and physician network covered under the plan. In

addition, our members may choose to purchase new policies through other sources or use a different agent, if, for example, they are not satisfied with our customer service or the health insurance plans that we offer. Our expense reduction measures have impacted the number of our employees dedicated to customer service in our individual and family health insurance business, which could cause a greater number of individuals to be dissatisfied with our customer service. Consumers may also purchase health insurance policies directly from government-run health insurance exchanges, including as a result of the requirement that subsidy-eligible individuals must purchase qualified health plans through government-run health insurance exchanges to be able to receive a subsidy under health care reform, and we would not remain the agent on the policy. Health insurance carriers have in the past and may in the future terminate health insurance plans purchased and held by our members. If we are not successful in transferring members covered under a terminated plan to another policy that we offer, we will lose these members and associated commission revenue. Our cost of acquiring a new member is substantially greater than the cost involved in maintaining our relationship with an existing member. If we are not able to successfully retain existing members and limit member turnover, our revenue and operating margins will be adversely impacted and our business, operating results and financial condition would be harmed. In addition, the Medicare-related commission rates that we receive may be higher in the first calendar year of a policy if the policy is the first Medicare-related policy issued to the member. The individual and family commission rates that we receive are typically higher in the first twelve months of a policy. After the first twelve months, they generally decline significantly. As a result, if we do not add a sufficient number of members on new policies, our revenue will be negatively impacted.

Our operating results fluctuate depending upon CMS regulations, health insurance carrier payment practices and the timing of our receipt of commission reports from health insurance carriers.

The timing of our revenue depends upon the timing of our receipt of commission reports and associated payments from health insurance carriers. There have been instances where the report of commissions and payment has been delayed, such as during holiday periods or as a result of the health care reform open enrollment period. We also have experienced, and may in the future experience, a delay in receiving commission payments and reports as a result of a CMS regulation issued in 2014 prohibiting carriers from paying commissions during the fourth quarter on Medicare Advantage and Medicare Part D prescription drug policies sold during the fourth quarter with an effective date in the following year. Any delay in our receipt of commission payments or reports could materially impact our financial results for a given quarter as we would not be able to recognize the related commission revenue in that quarter. In addition, much of our commission override revenue is not reported and paid to us in accordance with a scheduled pattern, and some is only reported and paid to us once per year. The timing of our revenue recognition could also result in a large amount of commission revenue from a carrier being recorded in a given quarter that is not indicative of the amount of revenue we may receive from that carrier in subsequent quarters, causing fluctuations in our operating results. We also could report revenue below the expectations of our investors or securities analysts in any particular period if a material report or payment from a health insurance carrier were delayed or not received within the time frame required for revenue recognition.

The Medicare annual enrollment period and the implementation of open enrollment periods under health care reform for the purchase of individual and family health insurance present a challenge as they require us to enroll a significant number of individuals into health insurance over a limited period of time. Significant increases in enrollment activity over a limited amount of time may also make it difficult for health insurance carriers to timely and accurately report commission information to us. To the extent health insurance carriers have difficulty in reporting timely and accurate commission information to us, we may be unable to recognize revenue in accordance with our revenue recognition policies, which could cause us to defer substantial revenue until such time our health insurance carriers are able to resume reporting timely and accurate commission information to us.

The medical loss ratio requirements that are a part of health care reform may harm our business.

The federal Patient Protection and Affordable Care Act enacted in March 2010 and related amendments in the Health Care and Education Reconciliation Act of 2010 contain provisions requiring health insurance carriers to maintain specified medical loss ratios. The medical loss ratio requirements for both individual and family and small business health insurance became effective in 2011 and, among other things, require health insurance companies to spend 80% of their premium revenue in each of their individual and small group health insurance businesses on reimbursement for clinical services and activities that improve health care quality. The medical loss ratio requirement for Medicare Advantage plans is 85% and went into effect in 2014. If a health insurance carrier fails to meet medical loss ratio requirements, the health insurance carrier is required to rebate a portion of its premium revenue to its members to make up for the difference.

Carrier reaction to the individual and family medical loss ratio requirements was to significantly reduce the commissions we receive in connection with the sale of individual and family health insurance. Health insurance carriers may determine to reduce or further reduce our Medicare Advantage plan, individual and family, or small group commissions as a

result of the medical loss ratio requirements or other aspects of health care reform, including any increased expenses in complying with or dealing with the impact of health care reform, which would harm our business, operating results and financial condition. In addition, if health insurance companies fail to meet medical loss ratio requirements, we may be required to pay back commissions that are related to any premium amounts the carriers are required to rebate policyholders as a result, which would harm our business, operating results and financial condition. The medical loss ratio requirements also may cause certain health insurance carriers to limit the geographies in which they sell health insurance or exit certain markets altogether, place less reliance on agents to distribute their plans, or limit their health insurance offerings in any number of other ways, each of which would harm our business, operating results and financial condition. The implementation of medical loss ratio requirements has caused and could further cause health insurance carriers to reduce the amount they are willing to spend in connection with our sponsorship and advertising and technology licensing businesses, which also could harm our business, operating results and financial condition.

Our business may be harmed if we lose our relationship with health insurance carriers whose Medicare-related health insurance products we sell or if our relationship with those carriers changes.

In 2010 we began to actively market the availability of Medicare-related health insurance plans using our ecommerce platforms, including Medicare Advantage, Medicare Supplement and Medicare Part D prescription drug plans. We refer to these plans as Medicare plans. We market Medicare plans to Medicare-eligible individuals, who are predominately senior citizens over the age of 65. The sale of Medicare Advantage and Medicare Part D prescription drug plans are subject to an annual enrollment period during the fourth quarter of each year, when a substantial percentage of the annual sales of these plans occur. We sell Medicare plans as a health insurance agent using our websites and customer care centers.

Our Medicare plan-related revenue is concentrated in a small number of health insurance carriers. The success of our Medicare-related health insurance business depends upon our ability to enter into new and maintain existing relationships with health insurance carriers on favorable economic terms. The concentration of our Medicare plan sales in a limited number of health insurance carriers makes us vulnerable to changes in carrier commission rates and changes in the competitiveness of our carriers' Medicare products. If our Medicare carriers reduce our commission rates, reduce the amount they pay us for advertising services, or the competitiveness of their products declines compared to original Medicare or the products of Medicare carriers with which we do not have a relationship, our business, operating results and financial condition would be harmed.

In addition, we may temporarily or permanently lose the ability to market and sell Medicare plans for our Medicare plan carriers. For instance, a carrier may terminate our relationship. Moreover, CMS heavily regulates the sale of Medicare Advantage and Medicare Part D prescription drug plans and has and will continue to penalize health insurance carriers for certain regulatory violations by suspending or terminating the carrier's ability to market and sell Medicare plans for significant periods of time. Given the concentration of our Medicare plan sales in a small number of carriers, if we lose a relationship with a health insurance carrier to market their Medicare plans temporarily or permanently for these or any other reasons, our sales as a health insurance agent and Medicare plan related revenue could suffer significantly, and our business, operating results and financial condition would be harmed. The agreements that we have with health insurance carriers to sell Medicare plans may be unilaterally amended or terminated by the carrier on short notice and the amendment or termination could adversely impact, or cause the termination of, the commission payments that we receive for selling their Medicare plans, including commissions on plans that we have already sold, which could materially harm our business operating results and financial condition.

Our business may be harmed if we do not market Medicare plans effectively or if our websites and marketing materials are not timely approved.

Health insurance carriers whose Medicare plans we sell must approve our websites, our marketing material and call center scripts for us to be able to generate Medicare plan demand and sell Medicare plans to Medicare-eligible individuals as a health insurance agent. These marketing materials also must be filed with CMS. In addition, we use Medicare plan cost and benefit data collected and made publicly available by CMS. In the event that CMS or a health insurance carrier disapproves, or delays approval, of our websites, our marketing material or call center scripts, or if CMS does not timely release Medicare plan cost and benefit data for the following year's Medicare plans prior to the annual enrollment period, we could lose a significant source of Medicare plan demand and our ability to sell Medicare plans would be adversely impacted, each of which would harm our business, operating results and financial condition. CMS recently broadened its interpretation of rules and regulations relating to Medicare plan-related marketing material so that they apply to websites that we did not previously need to submit to health insurance carriers for approval and file with CMS. This broadened interpretation also applies the same approval and filing process to marketing material of our marketing partners. If we are not successful in timely submitting these marketing materials to health insurance carriers for approval, in gaining that approval and in filing the marketing material with CMS, our Medicare plan marketing could become less effective, which would harm our business, operating results and financial

condition. Further, if a marketing partner of ours does not consent to having its website or other marketing material filed with the CMS, does not make changes required by carriers or CMS or does not comply with the CMS marketing guidelines or other Medicare program related laws, rules and regulations, we may lose the ability to receive referrals of individuals interested in purchasing Medicare plans from that marketing partner and our business, operating results and financial condition would be harmed.

In addition, each time we or our marketing partners substantively change our websites or call center scripts after they are filed with CMS, we need to resubmit them to our health insurance carriers and have them filed with CMS. We are not permitted to make CMS filings ourselves. Given the review cycles our scripts, websites and other marketing material undergo, it is very difficult to make changes to them, and our inability to timely make changes to these marketing materials, whether to comply with new rules and regulations or otherwise could adversely impact our ability to sell Medicare plans during the Medicare annual enrollment period or otherwise, which could impact our business, operating results and financial condition. In addition, if a change to scripts or websites is required by CMS or health insurance carriers, we may be prevented from selling Medicare plans during this period of review, which could harm our business, operating results, and financial condition, particularly if it occurred during the annual enrollment period.

Our Medicare plan-related revenue is dependent upon the number of paying Medicare plan insurance members we are successful in retaining and acquiring during the Medicare annual enrollment period. If we are not successful in retaining and acquiring Medicare plan members during the annual enrollment period for any reason, our business, operating results and financial condition would be harmed.

Our ability to sell Medicare-related health insurance plans as a health insurance agent depends upon our ability to timely hire, train and retain licensed health insurance agents for our customer care center.

In addition to our websites, we rely upon our customer care centers to sell Medicare plans. The success of our customer care center operations is largely dependent on licensed health insurance agents and other employees. In order to sell Medicare-related health insurance plans, our health insurance agent employees must first be licensed by the states in which they are selling plans and certified and appointed with the health insurance carrier that offers the plans in each state that the Medicare-related health insurance product is being sold by the agent. Because a significant number of Medicare plans are sold in the fourth quarter each year during the Medicare annual enrollment period, we hire and train a significant number of additional employees on a temporary or seasonal basis in a limited period of time. It may be difficult for the health insurance agents we employ and our systems and processes to handle the increased volume of health insurance transactions that occur in a short period of time during the Medicare annual enrollment period. We must also ensure that our health insurance agent employees are timely licensed in a significant number of states and certified and appointed with the health insurance carriers whose products we sell. We depend upon state departments of insurance and health insurance carriers for the licensing, certification and appointment of our health insurance agent employees. We may not be successful in timely hiring a sufficient number of additional licensed agents or other employees for the Medicare annual enrollment period, and even if we are successful, these employees may experience delays in obtaining health insurance licenses and certifications and health insurance carrier appointments with our health insurance carrier partners. If we and our health insurance agent employees are not successful in these regards, our ability to sell Medicare-related health insurance plans will be impaired during the annual enrollment period, which would harm our business, operating results and financial condition.

Our ability to sell Medicare-related health insurance plans as a health insurance agents depends upon our maintenance of functioning information technology systems.

The success of our Medicare plan customer care center operations is dependent on information technology systems. The vast majority of our Medicare plan members utilize our customer care center in connection with their purchase of a Medicare plan. CMS rules require that our health insurance agent employees utilize CMS-approved scripts in connection with the sale of Medicare plans and that we record and maintain the recording of telephonic interactions relating to the sale of Medicare plans. We rely on telephone, call recording, customer relationship management and other systems and technology in our Medicare customer care center operations, and we are dependent upon third parties for some of them, including our telephone and call recording systems. The effectiveness and stability of our Medicare customer care center systems and technology are critical to our ability to sell Medicare plans, particularly during the Medicare annual enrollment period, and the failure or interruption of any of these systems and technology or any inability to handle increased volume during the annual enrollment period would harm our business, operating results and financial condition.

Our success in selling Medicare-related health insurance will depend upon a number of factors some of which our outside of our control.

We determined to enter into the Medicare plan market because we believe the number of individuals becoming eligible for Medicare is increasing and these individuals are increasingly using the Internet to shop for health insurance plans. We also believe that, on average, member retention rates and the commissions that health insurance carriers pay in connection with the sale of Medicare plans compare favorably to the member retention rates and commissions we receive in connection with our sale of individual and family health insurance. Should we prove to be wrong, or should these circumstances reverse, our success in marketing Medicare plans would be materially and adversely impacted, which could harm our business, operating results and financial condition. For instance, portions of health care reform impose significant changes to original Medicare and the Medicare Advantage program by, among other things, increasing benefits original Medicare provides, reducing payments to Medicare Advantage plans and imposing medical loss ratio requirements for Medicare Advantage plans. In addition, CMS has in the past determined to reduce the payments it makes to health insurance carriers in connection with the sale of Medicare Advantage plans and it may do so again in the future. These reductions have caused, and could in the future cause, the cost of Medicare Advantage plans to increase or the benefits under Medicare Advantage plans to decrease, either of which would impair our ability to sell Medicare Advantage plans and our business, operating results and financial condition could be harmed. They also may cause health insurance carriers to reduce our compensation, which would harm our business, operating results and financial condition.

The majority of our Medicare-related health insurance plan sales occur over the telephone. Telephone sales of Medicare related health insurance require a licensed health insurance agent to complete and are time consuming compared to sales over the Internet. Given the resources required in connection with telephonic Medicare related health insurance sales, it may prove difficult for us to continue to grow our Medicare-related health insurance sales compared to prior periods. Even if we are able to grow those sales, it may be expensive to add the additional resources necessary for the growth. If we are not able to scalably grow our Medicare related health insurance sales over the Internet or in other ways that require fewer resources, our business, operating results and financial condition would be harmed.

Our success in the Medicare plan market as a health insurance agent will also depend upon a number of additional factors, including:

- our ability to continue to adapt our ecommerce platforms to market Medicare plans, including our development or acquisition of marketing tools and features important in the sale of Medicare plans online and the effective modification of our user experience;
- our success in marketing to Medicare-eligible individuals and in entering into marketing partner relationships to drive Medicare-eligible individuals to our ecommerce platforms;
- our effectiveness in entering into and maintaining relationships with marketing partners that refer Medicare-eligible individuals to us;
- our ability to hire and retain additional employees with experience in Medicare, including our ability to timely implement Medicare sales expertise into our customer care centers;
- our ability to implement and maintain an effective information technology infrastructure for the sale of Medicare plans, including the infrastructure and systems that support our websites, call centers and call recording;
- our ability to leverage technology in order to sell, and otherwise become more efficient at selling, Medicare-related plans over the telephone;
- our ability to comply with the numerous, complex and changing laws and regulations and CMS guidelines relating to the marketing and sale of Medicare plans, including continuing to conform our online and offline sales processes to those laws and regulations; and
- the effectiveness with which our competitors market the availability of Medicare plans from sources other than our ecommerce platforms.

As a result of these factors, we may prove unsuccessful in marketing Medicare plans and acting as a health insurance agent in connection with their sale, which would harm our business, operating results and financial condition. In addition, if our efforts to market Medicare plans during any annual enrollment period were impeded due to lack of health insurance carrier or CMS approval, or for other reasons, the impact on our business, operating results and financial condition would be significantly greater given the seasonality of our Medicare-related revenues, membership acquisition and expenses and the fact that much of the sales of Medicare plans occur during this period.

The marketing and sale of Medicare plans are subject to numerous, complex and frequently changing laws and regulations, and non-compliance or changes in laws and regulations could harm our business, operating results and financial condition.

The marketing and sale of Medicare plans are subject to numerous laws, regulations and guidelines at the federal and state level. The marketing and sale of Medicare Advantage and Medicare Part D prescription drug plans are principally regulated by CMS. The marketing and sale of Medicare Supplement plans are principally regulated on a state-by-state basis by state departments of insurance. The laws and regulations applicable to the marketing and sale of Medicare plans are numerous, ambiguous and complex, and, particularly with respect to regulations and guidance issued by CMS for Medicare Advantage and Medicare Part D prescription drug plans, change frequently. The telephone calls on which we enroll individuals into Medicare Advantage and Medicare Part D prescription drug plans are required to be recorded. Health insurance carriers audit these recordings for compliance and listen to them in connection with their investigation of complaints pursuant to CMS rules and regulations. In addition, Medicare eligible individuals often receive a special election period and the ability to change Medicare Advantage and Part D prescription drug plans outside the Medicare annual enrollment period in the event the sale of the plan was not in accordance with CMS rules and guidelines. Given CMS's scrutiny of Medicare product health insurance carriers and the responsibility of the health insurance carriers for actions that we take, health insurance carriers may terminate our relationship with them or take other corrective action if our Medicare product sales and marketing is not in compliance or gives rise to too many complaints. The termination of our relationship with health insurance carriers for this reason would reduce the products we are able to offer, result in the loss of commissions for past and loss of future sales and would otherwise harm our business, operating results and financial condition.

As a result of the laws, regulations and guidelines relating to the sale of Medicare plans, we have altered, and likely will have to continue to alter, our websites and sales process to comply with several requirements that are not applicable to our sale of non-Medicare-related health insurance plans. For instance, many aspects of our online platforms and our marketing material and processes, as well as changes to these platforms, materials and processes, including call center scripts, must be filed on a regular basis with CMS and reviewed and approved by health insurance carriers in light of CMS requirements. In addition, certain aspects of our Medicare plan marketing partner relationships have been in the past, and will be in the future, subjected to CMS and health insurance carrier review. Changes to the laws, regulations and guidelines relating to Medicare plans, their interpretation or the manner in which they are enforced could be incompatible with these relationships, our platforms or our sale of Medicare plans. For instance, in February 2015 CMS issued guidance indicating that third party websites and marketing material must be filed for approval with CMS. Health insurance carriers have interpreted this guidance to mean that websites and marketing material of our marketing partners must go through the process of CMS filing and review and approval by health insurance carriers. Our marketing partners may not consent to having their websites or other marketing material filed with CMS. In addition, we have a number of marketing partners who refer leads to us for Medicare-related health insurance products. Given the resources and review required of us and health insurance carriers prior to CMS filing, it is unlikely that we will be able to have all of our marketing partner websites and material filed and approved by CMS, which could harm our business, operating results and financial condition. In addition, even for our marketing partner websites and marketing material that are filed with CMS, they may not make it through the review process in time for the Medicare annual enrollment period. Moreover, under CMS guidance, websites and marketing material must be refiled with CMS if changed, which also will make it difficult to adapt and optimize marketing partner websites and marketing material in a short amount time. Given these circumstances, the CMS guidance relating to third party websites could harm our business, operating results and financial condition.

Due to changes in CMS guidance or enforcement or interpretation of existing guidance applicable to our marketing and sale of Medicare products, or as a result of new laws, regulations and guidelines, CMS, state departments of insurance or health insurance carriers may determine to object to or not to approve aspects of our online platforms or marketing material and processes and may determine that certain existing aspects of our Medicare-related business are not in compliance. As a result, the progress of our Medicare operations could be slowed or we could be prevented from operating aspects of our Medicare revenue generating activities altogether, which would harm our business, operating results and financial condition, particularly if it occurred during the Medicare annual enrollment period. It could also result in the write-down of the value of goodwill and intangible assets acquired in connection with our PlanPrescriber acquisition and purchase of the Medicare.com domain name.

The impact that health care reform legislation will have on the market for Medicare plans is unclear, but it could change demand for Medicare plans, the way these plans are delivered, the commissions that carriers pay to health insurance agents in connection with their sale or could adversely impact us in other ways. In the event that laws and regulations adversely impact our ability to market the availability of any type of Medicare plan on our ecommerce platform, Medicare plan demand or the amounts that health insurance agents are paid for selling these plans, our business, operating results and financial condition would be harmed.

CMS has in the past proposed changing the rules relating to compensation of agents in connection with the sale of Medicare Advantage and Medicare Part D prescription drug plans to reduce our compensation as a health insurance agent in connection with the sale of these plans. In the event CMS adopts regulations that have the effect of reducing the compensation that we receive in connection with the sale of Medicare Advantage and Medicare Part D prescription drug plans, our business, operating results and financial conditions would be harmed. In addition, CMS adopted regulations that changed the definition of a plan year from being twelve months from the effective date of a policy to January 1 through December 31 of each year, causing all Medicare Advantage and Medicare Part D prescription drug policies to renew on January 1 of each year. As a result, we record all Medicare Advantage and Medicare Part D prescription drug plan renewal commission revenue in the first quarter of each year. This plan year change resulted in our recognition of minimal renewal commission revenue outside of the first quarter of 2015, and we expect similar results in the future. In addition, CMS also issued a regulation prohibiting carriers from paying commissions during the fourth quarter on Medicare Advantage and Medicare Part D prescription drug policies sold during the fourth quarter with an effective date in the following year, which negatively impacts our operating cash flows in the fourth quarter of the year. This regulation also makes it more difficult for us to recognize revenue relating to our sale of Medicare Advantage and Medicare Part D prescription drug plans in the fourth quarter of the year, given that our revenue recognition policy requires us to receive either a cash payment or commission statement in the period we recognize revenue, provided we receive the second corroborating communication shortly following the period of recognition. If health insurance carriers do not send at least one of these communications during the fourth quarter, our recognition of revenue relating to our sale of these policies in the fourth quarter will be delayed until we receive the first communication, which would adversely impact our financial results in the fourth quarter. In the event health care reform, the actions of the federal government or other circumstances decrease the demand for Medicare Advantage plans or other alternatives to original Medicare, or result in a reduction in the amount paid to us or impact the timing of our revenue recognition in connection with the sale of these plans, our business, operating results and financial condition could be harmed.

We may be unsuccessful in competing effectively against current and future competitors.

The market for selling health insurance plans is highly competitive. We compete with entities and individuals that offer and sell health insurance plans utilizing traditional distribution channels as well as the Internet. Our competitors include local insurance agents across the United States who sell health insurance plans in their communities. There also are a number of companies that operate websites, provide an online shopping experience for consumers interested in purchasing health insurance and act as a health insurance agent in connection with that purchase. Some local agents also use “lead aggregator” services that use the Internet to find consumers interested in purchasing health insurance and are compensated for referring those consumers to health insurance agents or carriers. Many health insurance carriers also directly market and sell their plans to consumers through call centers and their own websites. Although we offer health insurance plans for many of these carriers, they also compete with us by offering their plans directly to consumers. In connection with our marketing of Medicare plans, we also compete with the original Medicare program. CMS also offers plan information, comparison tools, call centers and online enrollment for Medicare Advantage and Medicare Part D prescription drug plans. We compete with the FFM and state health insurance exchanges implemented as a result of health care reform. Health care reform also has resulted in health insurance plan cost and benefit data being more readily accessible, which could facilitate additional competition. To remain competitive against our current and future competitors, we will need to market our services effectively and continue to improve the online shopping experience and functionalities of our website and other platforms that our current and future customers may access to purchase health insurance products from us. If we cannot predict, develop and deliver the right shopping experience and functionality in a timely and cost-effective manner, or if we are not effective in driving a substantial number of consumers interested in purchasing health insurance to our website in a cost-effective manner, we may not be able to compete successfully against our current or future competitors and our business, operating results and financial condition may be adversely affected.

Some of our current and potential competitors have longer operating histories, larger customer bases, greater brand recognition and significantly greater financial, technical, marketing and other resources than we do. As compared to us, our current and future competitors may be able to:

- undertake more extensive marketing campaigns for their brands and services;
- devote more resources to website and systems development;
- negotiate more favorable commission rates and commission override payments; and
- make more attractive offers to potential employees, marketing partners and third-party service providers.

In addition, CMS has the ability to regulate our marketing and sale of Medicare Advantage and Medicare Part D prescription drug plans, and government-run health insurance exchanges, including CMS with respect to the FFM, have the ability to regulate our marketing and sale of qualified health plans under health care reform. CMS and the exchanges could impact the commissions we receive in connection with the sale of these plans and impose other restrictions and limitations that make it difficult for us to sell them. Competitive pressures may result in our experiencing increased marketing costs, decreased traffic to our website and loss of market share, or may otherwise harm our business, operating results and financial condition.

If we are not successful in cost-effectively converting visitors to our website and customer call centers into members for which we receive commissions, our business and operating results would be harmed.

Our growth depends in large part upon growth in our membership. The rate at which consumers visiting our ecommerce platform and customer care centers seeking to purchase health insurance are converted into paying members is a significant factor in the growth of our membership. A number of factors have influenced, and could in the future influence, the conversion rate for any given period, some of which are outside of our control. These factors include:

- changes in consumer shopping behavior due to circumstances outside of our control, such as economic conditions, consumers' ability or willingness to pay for health insurance, availability of unemployment benefits or proposed or enacted legislative or regulatory changes impacting our business, including health care reform;
- the quality of and changes to the consumer experience on our ecommerce platform or with our customer care center;
- regulatory requirements, including those that make the experience on our online platforms cumbersome or difficult to navigate;
- the variety, competitiveness and affordability of the health insurance plans that we offer;
- system failures or interruptions in the operation of our ecommerce platform or call center operations;
- changes in the mix of consumers who are referred to us through our direct, marketing partner and online advertising member acquisition channels;
- health insurance carriers offering the health insurance plans for which consumers have expressed interest, and the degree to which our technology is integrated with those carriers;
- health insurance carrier guidelines applicable to applications submitted by consumers, the amount of time a carrier takes to make a decision on that application and the percentage of submitted applications approved by health insurance carriers;
- the percentage of our members who did not accept their approved policies and from whom we do not receive commission payments; and
- our ability to enroll subsidy-eligible individuals in qualified health plans through government-run health insurance exchanges.

Our conversion rates can be impacted by changes in the mix of consumers referred to us through our member acquisition channels. For example, our conversion rates have historically been lower with respect to consumers referred to us by Internet lead aggregators and relatively higher with respect to consumers coming to us through our direct member acquisition channel. In addition, we have experienced an increase in the percentage of mobile phone and tablet visitors to our platforms, and the conversion rate for individuals who use our mobile and tablet platform to shop for and purchase health insurance has historically been lower than desktop and laptop users. We may make changes to our ecommerce platform in response to regulatory requirements or undertake other initiatives in an attempt to improve consumer experience or for other reasons. These changes have in the past, and may in the future, have the unintended consequence of adversely impacting our conversion rates. A decline in the percentage of consumers who submit health insurance applications on our ecommerce platform or telephonically via our customer care centers and are converted into members could cause an increase in our cost of acquiring members on a per member basis. To the extent the rate at which we convert consumers visiting our ecommerce platforms or telephonically via our customer care centers into members suffers, or in the event the number of mobile and tablet visitors to our platforms continue to increase, our membership growth rate may decline, which would harm our business, operating results and financial condition.

Our conversion rates are also impacted by changes in both the percentage of submitted applications that are approved by carriers as well as changes in the percentage of our members who do not accept their approved policies. Any decline in the percentage of submitted applications that result in paying members will adversely impact our commission revenue as well as our membership, which could harm our business, operating results and financial condition. Given that individual and family health insurance purchasing is concentrated during the annual open enrollment period, we may experience a shift in the mix of individual and family health insurance products selected by our new members over a short period of time. Any reduction in our average commission revenue per member during the open enrollment period caused by such a shift or otherwise would also harm our business, operating results and financial condition.

Changes in the quality and affordability of the health insurance plans that carriers offer on our ecommerce platforms could harm our business and operating results.

The demand for health insurance marketed through our ecommerce platforms is impacted by, among other things, the variety, quality and price of the health insurance plans we offer. Some health insurance carriers have exited certain state insurance markets where we have historically represented their insurance plans and we may determine not to work with other health insurance carriers. If our ability to sell a variety of high-quality, affordable health insurance plans in the Medicare, individual and family, small business and ancillary product markets is impaired, or our health insurance plan offerings are limited or terminated as a result of consolidation in the health insurance industry, health care reform or otherwise, our sales or average commission rate per member may decrease and our business, operating results and financial condition could be harmed. For example, the cost of health insurance has increased substantially in many states as a result of health care reform implementation and some health insurance carriers have exited the individual and family health insurance business in certain states. Moreover, as a result of several carriers not desiring to sell individual and family health insurance during the current special enrollment period and as a result of their reductions in our commissions for those sales, we are not able to sell individual and family health insurance plans that we have historically sold. This reduction in the supply we are able to offer consumers may adversely impact demand for the individual and family health insurance we sell, and if individuals and families do not purchase health insurance through us as a result of these circumstances, our business, operating results and financial condition would be harmed.

Health insurance carriers could determine to reduce the commissions paid to us, which could harm our business and operating results.

Our commission rates, and the commission override payments we receive from health insurance carriers for achieving sales volume thresholds or other objectives, are either set by each carrier or negotiated between us and each carrier. Carriers have altered, and may in the future alter, the contractual relationships we have with them on short notice, either by renegotiation or unilateral action. If these contractual changes result in reduced commissions, our business may suffer and our operating results and financial condition would be harmed. For example, several health insurance carriers have reduced or eliminated commission for individual and family health insurance sold outside of the health care reform open enrollment period. While these carriers have indicated that they plan to increase commission rates for individual and family health insurance old in the upcoming open enrollment period, they are not obligated to do so. If they do not, our business operating results and financial condition will be harmed.

If we are not able to maintain and enhance our brand, our business and operating results will be harmed.

We believe that maintaining and enhancing our brand identity is critical to our relationships with existing members, marketing partners and health insurance carriers and to our ability to attract new members, marketing partners and health insurance carriers. The promotion of our brand in these and other ways may require us to make substantial investments and we anticipate that, as our market becomes increasingly competitive, these branding initiatives may become increasingly difficult and expensive. Our brand promotion activities may not be successful or yield increased revenue, and to the extent that these activities yield increased revenue, the increased revenue may not offset the expenses we incur and our operating results could be harmed. If we do not successfully maintain and enhance our brand, our business may not grow and we could lose our relationships with health insurance carriers, marketing partners and/or members, which would harm our business, operating results and financial condition.

In addition, we have historically received media attention in connection with our public relations efforts. While we cannot be certain of the impact of media coverage on our business, if it were to be reduced or if we were to receive negative publicity, the number of consumers visiting our platform or customer call centers could decrease, and our cost of acquiring members could increase as a result of a reduction in the number of members coming from our direct member acquisition channel, both of which could harm our business, operating results and financial condition.

System failures or capacity constraints could harm our business and operating results.

The performance, reliability and availability of our ecommerce platforms and underlying network infrastructures are critical to our financial results, our brand and our relationship with members, marketing partners and health insurance carriers. Although we regularly attempt to enhance our ecommerce platforms and system infrastructure, system failures and interruptions may occur if we are unsuccessful in these efforts, if we are unable to accurately project the rate or timing of increases in our website traffic or for other reasons, some of which are completely outside our control. Although we have experienced only minor system failures and interruptions to date, we could experience significant failures and interruptions in the future, which would harm our business, operating results and financial condition. If these failures or interruptions occurred during the Medicare annual enrollment period or during the open enrollment period under health care reform, the negative impact on us would be particularly pronounced.

We rely in part upon third-party vendors, including data center and bandwidth providers, to operate our ecommerce platforms. We cannot predict whether additional network capacity will be available from these vendors as we need it, and our network or our suppliers' networks might be unable to achieve or maintain a sufficiently high capacity of data transmission to allow us to process health insurance applications in a timely manner or effectively download data, especially if our website traffic increases. Any system failure that causes an interruption in or decreases the responsiveness of our services would impair our revenue-generating capabilities and harm our business and operating results and damage our reputation. In addition, any loss of data could result in loss of customers and subject us to potential liability. Our database and systems are vulnerable to damage or interruption from human error, earthquakes, fire, floods, power loss, telecommunications failures, physical or electronic break-ins, computer viruses, acts of terrorism, other attempts to harm our systems and similar events. In addition, our operations are vulnerable to earthquakes in the San Francisco Bay Area and elsewhere in Northern California.

Consumers may access our customer care centers for assistance in connection with submitting health insurance applications. We depend upon third parties, including telephone service providers and third party software providers, to operate our customer care centers. Any failure of the systems that we rely upon in the operation of our customer care centers could negatively impact sales as well as our relationship with consumers and members, which could harm our business, operating results and financial condition.

If consumers or carriers opt for more traditional or alternative channels for the purchase and sale of health insurance, our business will be harmed.

Our success depends in part upon widespread consumer and health insurance carrier acceptance of the Internet as a marketplace for the purchase and sale of health insurance. Consumers and health insurance carriers may choose to depend more on traditional sources, such as individual agents, or alternative sources may develop, including as a result of health care reform legislation. For instance, an increasing percentage of individuals are using their phones or tablet computers to shop for health insurance over the Internet and may prefer to complete their purchases over these devices. Our future growth, if any, will depend in part upon:

- the growth of the Internet as a commerce medium generally, and as a market for consumer financial plans and services specifically;
- consumers' willingness to conduct their own health insurance research;
- our ability to make the process of purchasing health insurance online an attractive alternative to traditional and new means of purchasing health insurance;
- our ability to develop an effective process for purchasing health insurance over the Internet on smartphones, tablets and devices other than desktop or laptop computers;
- our ability to successfully and cost-effectively market our services as superior to traditional or alternative sources for health insurance to a sufficiently large number of consumers; and
- health insurance carriers' willingness to use us and the Internet as a distribution channel for health insurance plans.

If we are not successful in these regards, and if consumers and health insurance carriers determine that other sources for health insurance and health insurance applications are superior, our business will not grow and our operating results and financial condition would be harmed.

We depend upon Internet search engines to attract a significant portion of the consumers who visit our website, and if we are unable to effectively advertise on search engines on a cost-effective basis, our business and operating results would be harmed.

We derive a significant portion of our website traffic from consumers who search for health insurance through Internet search engines, such as Google, Bing and Yahoo!. A critical factor in attracting consumers to our website is whether we are prominently displayed in response to an Internet search relating to health insurance. Search engines typically provide two types of search results, algorithmic listings and paid advertisements. We rely on both algorithmic listings and paid advertisements to attract consumers to our websites.

Algorithmic search result listings are determined and displayed in accordance with a set of formulas or algorithms developed by the particular Internet search engine. The algorithms determine the order of the listing of results in response to the consumer's Internet search. From time to time, search engines revise these algorithms. In some instances, these modifications have caused our website to be listed less prominently in algorithmic search results, which has resulted in decreased traffic to our website. We may also be listed less prominently as a result of new websites or changes to existing websites that result in these websites receiving higher algorithmic rankings with the search engine. For example, government health insurance exchange websites have recently begun to appear prominently in algorithmic search results. Our website may become listed less prominently in algorithmic search results for other reasons, such as search engine technical difficulties, search engine technical changes and changes we make to our website. In addition, search engines have deemed the practices of some companies to be inconsistent with search engine guidelines and decided not to list their website in search result listings at all. If we are listed less prominently in, or removed altogether from, search result listings for any reason, the traffic to our websites would decline and we may not be able to replace this traffic, which in turn would harm our business, operating results and financial condition. If we decide to attempt to replace this traffic, we may be required to increase our marketing expenditures, which would also increase our cost of member acquisition and harm our business, operating results and financial condition.

We purchase paid advertisements on search engines in order to attract consumers to our website. We typically pay a search engine for prominent placement of our name and website when particular health insurance-related terms are searched for on the search engine, regardless of the algorithmic search result listings. The prominence of the placement of our advertisement is determined by a combination of factors, including the amount we are willing to pay and algorithms designed to determine the relevance of our paid advertisement to a particular search term. As with algorithmic search result listings, search engines may revise the algorithms relevant to paid advertisements and websites other than our ecommerce platform may become more optimized for the algorithms. These changes may result in our having to pay increased amounts to maintain our paid advertisement placement in response to a particular search term. We could also have to pay increased amounts should the market share of major search engines continue to become more concentrated with a single search engine. Additionally, we bid against our competitors and others for the display of these paid search engine advertisements. Many of our competitors, including many health insurance carriers and government-run health insurance exchanges, have greater resources with which to bid and better brand recognition than we do. We have experienced increased competition from health insurance carriers, government health insurance exchanges and some of our marketing partners for both algorithmic search result listings and for paid advertisements. This competition has increased the cost of paid internet search advertising and has increased our marketing and advertising expenses. This competition has increased substantially during the open enrollment periods for individual and family health insurance and Medicare-related health insurance and may increase further if these open enrollment periods occur over the same period of time. If paid search advertising costs increase or becomes cost prohibitive, whether as a results of competition, algorithm changes or otherwise, our advertising expenses could rise significantly or we could reduce or discontinue our paid search advertisements, either of which would harm our business, operating results and financial condition.

We rely significantly on marketing partners and our business and operating results would be harmed if we are unable to maintain effective relationships with our existing marketing partners or if we do not establish successful relationships with new marketing partners.

In addition to marketing through Internet search engines, we frequently enter into contractual marketing relationships with other online and offline businesses that promote us. These marketing partners include financial and online service companies, affiliate programs and online advertisers and content providers. We also have relationships with marketing partners, including pharmacy chains, that promote our Medicare platforms to their customers. We compensate many of our marketing partners for their referrals on a submitted health insurance application basis and, if they are licensed to sell health insurance, may share a percentage of the commission we earn from the health insurance carrier for each member referred by the marketing partner.

Many factors influence the success of our relationship with our marketing partners, including:

- the continued positive market presence, reputation and growth of the marketing partner;
- the effectiveness of the marketing partner in marketing our website and services, including whether the marketing partner is successful in maintaining the prominence of its website in algorithmic search result listings and paid Internet advertisements;
- the compliance of our marketing partners, and of the manner marketing partners refer consumers to our platforms, with applicable laws, regulations and guidelines;
- the interest of the marketing partner's customers in the health insurance plans that we offer on our ecommerce platform;
- the contractual terms we negotiate with the marketing partner, including the marketing fees we agree to pay a marketing partner;
- the percentage of the marketing partner's customers that submit applications or purchase health insurance policies through our ecommerce platform;
- the ability of a marketing partner to maintain efficient and uninterrupted operation of its website; and
- our ability to work with the marketing partner to implement website changes, launch marketing campaigns and pursue other initiatives necessary to maintain positive consumer experiences and acceptable traffic volumes.

For instance, we partner with Internet lead aggregators who refer a significant number of consumers to our online platforms. Major search engines have in the past and may in the future determine not to list lead aggregator websites prominently in search result listings for various reasons, which would cause a significant reduction in the number of consumers referred to us through our marketing partner channel. While we have relationships with a large number of marketing partners, we depend upon referrals from a limited number of marketing partners for a significant portion of the submitted applications we receive from our marketing partner customer acquisition channel. Moreover, a significant portion of our referrals for the purchase of Medicare plans comes from a single marketing partner.

Given our reliance on our marketing partners, our business operating results and financial condition would be harmed if any of the following were to occur:

- if we are unable to maintain successful relationships with our existing marketing partners, particularly marketing partners responsible for a significant number of our submitted applications;
- if we fail to establish successful relationships with new marketing partners;
- if we experience competition in our receipt of referrals from our high volume marketing partners; and
- if we are required to pay increased amounts to our marketing partners.

To the extent that health care reform makes it less profitable or desirable for marketing partners to promote us to their customers, we may lose relationships with existing marketing partners or those marketing partners may refer fewer individuals to us. We may also have difficulty entering into relationships with new marketing partners. We may also need to reduce the compensation that we pay to marketing partners to the extent that health care reform has the effect of reducing commissions for individual and family health insurance or causes our members to stay on their health insurance policies for a shorter period of time. There is no guarantee that we will be able to amend our agreements to reduce the compensation that we pay to acceptable levels in light of these factors. If we are not able to do so, our business, operating results and financial condition could be harmed. Competition for referrals from our marketing partners has increased particularly during the open enrollment periods for Medicare-related health insurance and individual and family health insurance. We may lose marketing partner referrals if our competitors pay marketing partners more than we do or be forced to pay increased fees to our marketing partners, which could harm our business, operating results and financial condition. If we lose marketing partner referrals during the Medicare or individual and family health insurance annual open enrollment periods, the adverse impact on our business would be particularly pronounced. In addition, the promulgation of laws, regulations or guidelines, or the interpretation of existing laws, regulations and guidelines, by state departments of insurance or by CMS, could cause our relationships with our marketing partners to be in non-compliance with those laws, regulations and guidelines. For instance, CMS recently issued guidance that

health insurance carriers have interpreted to mean that websites and marketing material of our Medicare-related marketing partners must be filed with CMS before use. Before filing with CMS, these websites and marketing materials will need to undergo a review by health insurance carriers for whom we market Medicare products. Our marketing partners may not consent to having their websites or other marketing material filed with CMS, and we and health insurance carriers may not be able to dedicate the resources necessary to have the websites and marketing material reviewed. If we are not able to do so, our business, operating results and financial condition could be harmed. In addition, as a result of our acquisition of PlanPrescriber, we have marketing partner relationships with pharmacy chains that utilize aspects of our platform and tools. Our relationships with these pharmacy chains result in the referral of a significant number of individuals to us who are interested in purchasing Medicare-related health insurance plans. If CMS or state departments of insurance were to change existing laws, regulations or guidelines, or interpret existing laws, regulations or guidelines, to prohibit these arrangements, or if pharmacy partners otherwise decided to no longer utilize aspects of our platform and tools, we could experience a significant decline in the number of Medicare-eligible individuals who are referred to our platforms and customer care centers, which would harm our business, operating results and financial condition and could result in a write-down of the value of intangible assets acquired in our PlanPrescriber acquisition.

We rely on health insurance carriers to accurately and regularly prepare commission reports, and if these reports are inaccurate or not sent to us in a timely manner, our business and operating results could be harmed. We also may not recognize trends in our membership as a result of a lack of information from health insurance carriers.

For individual and family, small business, ancillary and Medicare Supplement health insurance plans, health insurance carriers pay us a flat amount per member per month or a percentage of the paid health insurance premium on a health insurance policy that we have sold during the period that a member maintains coverage under the policy. For both Medicare Advantage and Medicare Part D prescription drug policies, health insurance carriers typically pay us a fixed commission amount during the period the policy remains active, typically for at least six years, depending on the carrier. We rely on health insurance carriers to timely and accurately report the amount of commissions earned by us, and we calculate our commission revenue, prepare our financial reports, projections and budgets and direct our marketing and other operating efforts based on the reports we receive from health insurance carriers. There have been instances where we have determined that policy cancellation data reported to us by a health insurance carrier has not been accurate. Although we recognize commissions reported to us net of estimated cancellations, the extent to which health insurance carriers are inaccurate in their reporting of policy cancellations could cause us to change our cancellation estimates, which could adversely impact our revenues. We apply judgment and make estimates based on historical data and current trends to independently determine whether or not carriers are accurately reporting commissions due to us. To the extent that health insurance carriers understate or fail to accurately report the amount of commissions due to us in a timely manner or at all, we will not recognize revenue to which we are entitled, which would harm our business, operating results and financial condition.

We also depend on health insurance carriers and others for data related to our membership. For instance, with respect to health insurance plans other than small business health insurance, health insurance carriers do not directly report member cancellations to us, resulting in the need for us to determine cancellations using payment data that carriers provide. We infer cancellations from this payment data by analyzing whether payments from members have ceased for a period of time, and we may not learn of a cancellation for several months. With respect to our small business membership, many groups notify the carrier directly with respect to increases or decreases in group size and policy cancellations. Our insurance carrier partners often do not communicate this information to us, and it often takes a significant amount of time for us to learn about small business group cancellations and changes in our membership within the group itself. We often are not made aware of policy cancellations until the time of the group’s annual renewal.

A substantial number of our existing members may become eligible for health care reform subsidies in connection with their purchase of health insurance. In addition, the open enrollment periods applicable in connection with the sale of both individual and family health insurance and Medicare-related health insurance condenses purchasing activity over a limited period of time. The increased amount of health insurance purchasing activity and member movement as a result of health care reform over a limited period of time as well as any member turnover that we experience may make it difficult for health insurance carriers to accurately report commission information to us in a timely manner, which would also make it difficult or impossible for us to accurately report and estimate our membership at any given point in time. Delays in accurate reporting of commissions may result in delays in recognition of commission revenue compared to historical patterns and our business, operating results and financial condition could be harmed. In addition, if we experience a disruption in our ability to accurately estimate our membership it could result in a decrease in our stock price as a result of uncertainty relating to our membership base.

After we have estimated membership for a period, we may receive information from health insurance carriers that would have impacted the estimate if we had received the information prior to the date of estimation. We may receive

commission payments or other information that indicates that a member who was not included in our estimates for a prior period was in fact an active member at that time, or that a member who was included in our estimates was in fact not an active member of ours. We also reconcile information health insurance carriers provide to us and may determine that we were not historically paid commissions owed to us, which would cause us to have underestimated our membership. As a result of open enrollment periods, we may not receive information from our carriers on as timely a basis due to significant spikes in volume, which could impair the accuracy of our estimates of the number of members we have for a period of time. Additionally, health insurance carriers may require us to return commission payments paid in a prior period due to policy cancellations for members we previously estimated as being active. For these and other reasons, including if current trends in membership cancellation are inconsistent with past cancellation trends that we use to estimate our membership or if carriers subsequently report changes to the commission payments that they previously reported to us, our actual membership could be different from our estimates, perhaps materially. Total revenue per estimated member for the period would also change if our estimated membership changed. Our estimate regarding the average amount of time our members maintain their health insurance plans also could be inaccurate as it depends on the accuracy of our membership estimates.

Economic conditions and other factors beyond our control may negatively impact our business, operating results and financial condition.

Our revenue depends upon demand for health insurance in the individual and family and small business markets, which can be influenced by a variety of factors beyond our control. For instance, as a result of substantial health insurance premium inflation in recent years, we believe that many employers have sought to reduce the costs associated with providing health insurance to their employees, including offering fewer benefits to employees, reducing or eliminating dependent coverage, increasing employee health insurance premium contributions and eliminating health insurance benefits altogether. We have no control over the economic and other factors that influence these trends, and they may reverse, including as a result of health care reform legislation. If economic or other factors beyond our control negatively impact our business, our business, operating results and financial condition could be harmed.

We believe that demand for the health insurance and services we offer are impacted by prevailing economic conditions. We cannot be certain of the future impact that economic conditions will have on our business. A softening of demand for health insurance and services offered by us, whether caused by changes in customer preferences or a weak U.S. economy, including as a result of disruptions in the global financial markets or a decrease in general consumer confidence, could adversely impact our operating results. Consumers may attempt to reduce expenses by cancelling existing health insurance purchased through us, determine not to purchase new health insurance through us, or purchase health insurance plans for which we receive lower commissions. To the extent the economy or other factors adversely impact our membership retention or the number or type of health insurance applications submitted through us and that are approved by health insurance carriers, our rate of growth will decline and our business and operating results will be harmed. A continuing negative economic environment could also adversely impact the health insurance carriers whose plans are offered on our ecommerce platform, and they may determine to reduce their commission rates or take other actions that would negatively impact our sale of health insurance as well as our sponsorship and technology licensing businesses.

There are many risks associated with our operations in China.

A portion of our operations is conducted in China. Among other things, we use employees in China to maintain and update our ecommerce platform. This and other information is delivered to us through secured communications over the Internet. Our business would be harmed if this connection temporarily failed and we were prevented from promptly updating our software or implementing other changes to our database and systems. Our operations in China also expose us to different and unfamiliar laws, rules and regulations, including different intellectual property laws, which are not as protective of our intellectual property as the laws in the United States, and different labor and tax laws. United States and Chinese trade laws may impose restrictions on the importation of programming or technology to or from the United States. Additionally, we have recently experienced greater competition for qualified personnel in China, which has raised market salaries and increased our compensation costs related to employees in that location. If competition for personnel increases further, our compensation expenses could rise considerably or, if we determine to not increase compensation levels, our ability to attract and retain qualified personnel in China may be impaired, which could harm our business, operating results and financial condition. These risks could cause us to incur increased expenses and could harm our ability to effectively and successfully manage our operations in China, which in turn could cause our business, operating results and financial condition to suffer.

Our sponsorship and advertising business may not be successful.

We sell advertising space to health insurance carriers on our website through our sponsorship and advertising program. Our sponsorship and advertising program allows carriers to purchase advertising space in specific markets in a sponsorship area

on our website. Health insurance carriers have and may continue to determine to eliminate or reduce spending on our sponsorship and advertising program as a result of various aspects of health care reform, including the medical loss ratio requirements that became effective in 2011. As a result, our business, operating results and financial condition could be harmed. To the extent that economic conditions, health care reform or other factors impact the amount health insurance carriers are willing to pay for advertising on our ecommerce platform, our sponsorship and advertising program will be adversely impacted. Since much of our sponsorship revenue depends upon the number of applications we submit to health insurance carriers, a reduction in demand for the carrier's product (such as outside open enrollment periods) would reduce our sponsorship revenue and our business, operating results and financial condition could be harmed. The success of our sponsorship and advertising program depends on a number of other factors, including the effectiveness of the sponsorship and advertising program as a cost-effective method for carriers to obtain additional members, consumer and health insurance carrier adoption of the Internet and our ecommerce platform as a medium for the purchase and sale of health insurance, our ability to attract consumers visiting our ecommerce platform and convert those consumers into members, the existence of a relationship between us and a diverse group of carriers that offer a number of health insurance plans in the markets in which we attempt to sell advertising, the cost, benefit and brand recognition of the health insurance plan that is the subject of the advertising, the impact the advertising has on the sale of the health insurance plan that is the subject of the advertising and the effectiveness of the carrier's other means of advertising. In addition, while our practice of selling advertising is described on our ecommerce platform, it could cause consumers to perceive us as not objective, which could harm our brand and result in a decline in our health insurance sales. It also could adversely impact our relationship with health insurance carriers that do not purchase our advertising. As a result, our business, operating results and financial condition could be harmed.

We also develop, host and maintain carrier dedicated Medicare plan websites through our advertising program. Our success in doing so is dependent upon the same factors that could impact our sponsorship program. In addition, since we maintain relationships with a limited number of health insurance carriers to sell their Medicare plans, our Medicare plan-related advertising revenue is concentrated in a small number of health insurance carriers and our ability to generate Medicare plan-related advertising revenue would be harmed by the termination or non-renewal of any of these relationships as well as by a reduction in the amount a health insurance carrier is willing to pay for these services. Moreover, in light of the regulations applicable to the marketing and sale of Medicare plans, and given that these regulations are often unclear, change frequently and are subject to changing interpretations, we may in the future not be permitted to sell Medicare plan-related advertising. If we are not successful in generating Medicare plan-related advertising revenue, our business operating results and financial condition could be harmed.

We may not be successful in licensing the use of our ecommerce technology to health insurance carriers and other third parties.

We license the use of our ecommerce technology to health insurance carriers and agents. Carriers use our platform to offer their own health insurance policies on their websites, and agents use it to power their quoting and online content. We are typically paid implementation fees and performance-based fees that are based on metrics such as submitted health insurance applications. Health care reform could reduce health insurance carrier and agent demand for our technology licensing platform as a result of the reduction in the number of health insurance carriers selling individual and family plan products, the medical loss ratio requirements that became effective in 2011; a desire to not sell or reduce selling efforts or for other reasons. In addition, health insurance carriers who currently use the platform could determine to cease using it, reduce the number and type of plans offered on the platform or renegotiate the fees that they pay, any of which would reduce the revenue we receive from our technology licensing business.

The business of licensing the use of our technology to others could facilitate carrier, health insurance agent and other third party competition with us in the sale of health insurance over the Internet and is subject to a number of additional risks and uncertainties, including consumer and health insurance carrier adoption of our ecommerce platforms as a medium for the purchase and sale of health insurance, our ability to establish relationships with new health insurance carriers, the reliability and performance of our ecommerce platforms and the relative cost of developing competing technology. If we are not able to offer health insurance carriers and other third parties a reliable platform to cost-efficiently offer their plans over the Internet, our technology licensing business will be unsuccessful.

We may not be able to adequately protect our intellectual property, which could harm our business and operating results.

We believe that our intellectual property is an essential asset of our business and that our technology infrastructure currently gives us a competitive advantage in the distribution of individual and family and small business health insurance. We rely on a combination of copyright, trademark and trade secret laws as well as confidentiality procedures and contractual provisions to establish and protect our intellectual property rights in the United States. We have not filed for protection of our

intellectual property in any foreign jurisdiction other than China. We have Chinese-registered computer software copyrights for an internally-developed software system and a project management tool and have certain trademarks in China. We have not filed any patent applications in China. The efforts we have taken to protect our intellectual property may not be sufficient or effective, and our trademarks, copyrights and patents if issued, may be held invalid or unenforceable. Moreover, the law relating to intellectual property is not as developed in China, and our intellectual property rights may not be as respected in China as they are in the United States. Any United States or other patents issued to us may not be sufficiently broad to protect our proprietary technologies, and given the costs of obtaining patent protection, we may choose not to seek patent protection for certain of our proprietary technologies. We may not be effective in policing unauthorized use of our intellectual property, trade secrets and other confidential information, and even if we do detect violations, litigation may be necessary to enforce our intellectual property rights. Any enforcement efforts we undertake, including litigation, could be time-consuming and expensive, could divert our management's attention and may result in a court determining that our intellectual property or other rights are unenforceable. If we are not successful in cost-effectively protecting our intellectual property rights, trade secrets and confidential information, our business, operating results and financial condition could be harmed.

We may in the future be subject to intellectual property rights claims, which are extremely costly to defend, could require us to pay significant damages and could limit our ability to use certain technologies in the future.

There are a large number of patents, copyrights, trademarks and trade secrets applicable to the internet and technology industries and entities frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. We have received, and may in the future receive, notices that claim we have misappropriated, infringed or misused other parties' intellectual property rights, and, to the extent we gain greater visibility, we face a higher risk of being the subject of intellectual property infringement claims. There may be third-party intellectual property rights, including issued or pending patents that cover significant aspects of our technologies or business methods or that cover third-party technology that we use as a part of our websites. Any intellectual property claim against us, with or without merit, could be time consuming, expensive to settle or litigate and could divert our management's attention and other resources. These claims also could subject us to significant liability for damages and could result in our having to stop using technology found to be in violation of a third party's rights. We might be required to seek a license for third-party intellectual property, which may not be available on reasonable terms or at all. Even if a license is available, we could be required to pay significant royalties, which would increase our operating expenses. We may also be required to develop alternative non-infringing technology, which could require significant effort and expense. If we cannot license or develop technology for any infringing aspect of our business, we would be forced to limit our services and may be unable to compete effectively. Any of these results would harm our business, operating results and financial condition.

Any legal liability, regulatory penalties, or negative publicity for the information on our website or that we otherwise distribute or provide could harm our business and operating results.

We provide information on our website, through our customer care centers and in other ways regarding health insurance in general and the health insurance plans we market and sell, including information relating to insurance premiums, coverage, benefits, provider networks, exclusions, limitations, availability, plan comparisons and insurance company ratings. A significant amount of both automated and manual effort is required to maintain the considerable amount of insurance plan information on our website. Separately, from time to time, we use the information provided on our website and otherwise collected by us to publish reports designed to educate consumers, facilitate public debate, and facilitate reform at the state and federal level relating to the accessibility and affordability of health insurance. If the information we provide on our website, through our customer care centers or otherwise is not accurate or is construed as misleading, or if we do not properly assist individuals and businesses in purchasing health insurance, members, health insurance carriers and others could attempt to hold us liable for damages, our relationships with health insurance carriers could be terminated and regulators could attempt to subject us to penalties, revoke our licenses to transact health insurance business in a particular jurisdiction, and/or compromise the status of our licenses to transact health insurance business in other jurisdictions, which could result in our loss of our commission revenue. In the ordinary course of operating our business, we have received complaints that the information we provided was not accurate or was misleading. Although in the past we have resolved these complaints without significant financial cost, we cannot guarantee that we will be able to do so in the future. In addition, these types of claims could be time-consuming and expensive to defend, could divert our management's attention and other resources, and could cause a loss of confidence in our services. As a result, whether or not we are able to successfully resolve these claims, they could harm our business, operating results and financial condition.

In the ordinary course of our business, we have received and may continue to receive inquiries from state regulators relating to various matters. We have become, and may in the future become, involved in litigation in the ordinary course of our business. If we are found to have violated laws or regulations, we could lose our relationship with health insurance carriers and be subject to various fines and penalties, including revocation of our licenses to sell insurance which would in turn potentially

cause us to lose our commission revenue, and our business, operating results and financial condition would be materially harmed.

We may experience difficulties as a result of our implemented cost reduction plan.

In March 2015, we implemented an organizational restructuring and cost reduction plan. As part of the plan, we eliminated approximately 160 full-time positions in the United States, representing approximately 15% of our workforce primarily in our technology and content and customer care and enrollment groups, and to a lesser extent, in our marketing and advertising and general and administrative groups. The majority of the restructuring activities comprising the plan were substantially completed in the first quarter of 2015, and we also eliminated certain positions in our China operation in that quarter. As a part of the reduction-in-force, we significantly reduced headcount in our customer care and enrollment and technology and content groups. These reductions could impair our ability to assist consumers seeking to purchase health insurance. They also constrain our ability to enhance our technology platforms as well as adapt our technology platforms and service to changes in the health insurance industry brought about by changes to the implementation of health care reform or for other reasons. The reductions also may impact our ability to enter new business areas and develop and enhance our existing products and services. In the aggregate, the reduction-in-force could harm our business, operating results and financial condition.

Acquisitions could disrupt our business and harm our financial condition and operating results.

We may decide to acquire businesses, products and technologies. Our ability as an organization to successfully make and integrate acquisitions is unproven. Acquisitions could require significant capital infusions and could involve many risks, including the following:

- an acquisition may negatively impact our results of operations because it will require us to incur transaction expenses, and after the transaction, may require us to incur charges and substantial debt or liabilities, may require the amortization, write down or impairment of amounts related to deferred compensation, goodwill and other intangible assets, or may cause adverse tax consequences, substantial depreciation or deferred compensation charges;

- an acquisition undertaken for strategic business purposes may negatively impact our results of operations;

- we may encounter difficulties in assimilating and integrating the business, technologies, products, personnel or operations of companies that we acquire, particularly if key personnel of the acquired company decide not to work for us;

- an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management;

- we may be required to implement or improve internal controls, procedures and policies appropriate for a public company at a business that prior to the acquisition lacked these controls, procedures and policies;

- the acquired businesses, products or technologies may not generate sufficient revenue to offset acquisition costs or to maintain our financial results;

- we may have to issue equity securities to complete an acquisition, which would dilute our stockholders' ownership and could adversely affect the market price of our common stock; and

- acquisitions may involve the entry into geographic or business markets in which we have little or no prior experience.

We cannot assure you that we will be able to identify or consummate any future acquisition on favorable terms, or at all. If we do pursue an acquisition, it is possible that we may not realize the anticipated benefits from the acquisition or that the financial markets or investors will negatively view the acquisition. Even if we successfully complete an acquisition, it could harm our business, operating results and financial condition.

If we fail to maintain proper and effective internal controls, our ability to produce accurate financial statements could be impaired, which could adversely affect our operating results, our ability to operate our business and our stock price.

We have a complex business organization. Ensuring that we have adequate internal financial and accounting controls and procedures in place to help ensure that we can produce accurate financial statements on a timely basis is a costly and time-

consuming effort that needs to be re-evaluated frequently and is complicated by the expansion of our business operations. Our management, including our chief executive officer and principal financial officer, does not expect that our internal control over financial reporting will prevent all errors or all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Over time, controls may become inadequate because changes in conditions or deterioration in the degree of compliance with policies or procedures may occur. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. As a result, we cannot assure that significant deficiencies or material weaknesses in our internal control over financial reporting will not be identified in the future. Any failure to maintain or implement required new or improved controls, or any difficulties we encounter in their implementation, could result in significant deficiencies or material weaknesses, cause us to fail to timely meet our periodic reporting obligations, or result in material misstatements in our financial statements. Any such failure could also adversely affect the results of periodic management evaluations and annual auditor attestation reports regarding disclosure controls and the effectiveness of our internal control over financial reporting required under Section 404 of the Sarbanes-Oxley Act of 2002 and the rules promulgated thereunder. The existence of a material weakness could result in errors in our financial statements that could result in a restatement of financial statements, cause us to fail to timely meet our reporting obligations and cause investors to lose confidence in our reported financial information, leading to a decline in our stock price and potential lawsuits against us.

Changes in our provision for income taxes or adverse outcomes resulting from examination of our income or other tax returns could adversely affect our results.

Our provision for income taxes is subject to volatility and could be adversely affected by earnings differing materially from our projections, changes in the valuation of our deferred tax assets and liabilities, expiration of or lapses in the research and development tax credit laws, tax effects of share-based compensation, outcomes as a result of tax examinations or by changes in tax laws, regulations, accounting principles, including accounting for uncertain tax positions, or interpretations thereof. The related domestic deferred tax assets remain available for use in future periods and will reduce the Company's tax provision if taxable income is generated. To the extent that our provision for income taxes is subject to volatility or adverse outcomes as a result of tax examinations, our operating results could be harmed.

Significant judgment is required to determine the recognition and measurement attribute prescribed in U.S. generally accepted accounting principles ("U.S. GAAP") relating to accounting for income taxes. In addition, U.S. GAAP applies to all income tax positions, including the potential recovery of previously paid taxes, which if settled unfavorably could adversely impact our provision for income taxes or additional paid-in capital. In addition, we are subject to examinations of our income tax returns by the Internal Revenue Service and other tax authorities. We assess the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of our provision for income taxes. There may be exposure that the outcomes from these examinations will have an adverse effect on our operating results and financial condition.

Risks Related to State Insurance Regulation

Regulation of the sale of health insurance is subject to change, and future regulations could harm our business and operating results.

The laws and regulations governing the offer, sale and purchase of health insurance are subject to change, and future changes may be adverse to our business. For example, a long standing provision in each state's law that we believe is advantageous to our business is that once health insurance premiums are set by the carrier and approved by state regulators, they are fixed and not generally subject to negotiation or discounting by insurance companies or agents. Additionally, state regulations generally prohibit carriers, agents and brokers from providing financial incentives, such as rebates, to their members in connection with the sale of health insurance. As a result, we do not currently compete with carriers or other agents and brokers on the price of the health insurance plans offered on our website. If these regulations change, we could be forced to reduce prices or provide rebates or other incentives for the health insurance plans sold through our ecommerce platform, which would harm our business, operating results and financial condition.

States have, and will continue, to adopt new laws and regulations in response to health care reform legislation. It is difficult to predict how these new laws and regulations will impact our business, but in some cases such laws and regulations could amplify the adverse impacts of health care reform, or states may adopt new requirements that adversely impact our business, operating results and financial condition.

We are also subject to additional insurance regulatory risks, because we use the Internet as our distribution platform. In many cases, it is not clear how existing insurance laws and regulations apply to Internet-related health insurance advertisements and transactions. To the extent that new laws or regulations are adopted that conflict with the way we conduct our business, or to the extent that existing laws and regulations are interpreted adversely to us, our business, operating results and financial condition would be harmed.

If we fail to comply with the numerous state laws and regulations that are applicable to the sale of health insurance, our business and operating results could be harmed.

The sale of health insurance is heavily regulated by each state in the United States. For instance, in addition to the impact and changes in regulations resulting from health care reform, state regulators require us to maintain a valid license in each state in which we transact health insurance business and further require that we adhere to sales, documentation and administration practices specific to that state. In addition, each employee who transacts health insurance business on our behalf must maintain a valid license in one or more states. Because we do business in all 50 states and the District of Columbia, compliance with health insurance-related laws, rules and regulations is difficult and imposes significant costs on our business. Each jurisdiction's insurance department typically has the power, among other things, to:

- grant and revoke licenses to transact insurance business;
- conduct inquiries into the insurance-related activities and conduct of agents and agencies;
- require and regulate disclosure in connection with the sale and solicitation of health insurance;
- authorize how, by which personnel and under what circumstances insurance premiums can be quoted and published and an insurance policy sold;
- approve which entities can be paid commissions from carriers and the circumstances under which they may be paid;
- regulate the content of insurance-related advertisements, including web pages, and other marketing practices;
- approve policy forms, require specific benefits and benefit levels and regulate premium rates;
- impose fines and other penalties; and
- impose continuing education requirements.

Due to the complexity, periodic modification and differing interpretations of insurance laws and regulations, we may not have always been, and we may not always be, in compliance with them. New insurance laws, regulations and guidelines also may not be compatible with the sale of health insurance over the Internet or with various aspects of our platform or manner of marketing or selling health insurance plans. Failure to comply with insurance laws, regulations and guidelines or other laws and regulations applicable to our business could result in significant liability, additional department of insurance licensing requirements, the revocation of licenses in a particular jurisdiction and/or our inability to sell health insurance plans, which could significantly increase our operating expenses, result in the loss of our commission revenue and otherwise harm our business, operating results and financial condition. Moreover, an adverse regulatory action in one jurisdiction could result in penalties and adversely affect our license status or reputation in other jurisdictions due to the requirement that adverse regulatory actions in one jurisdiction be reported to other jurisdictions. Even if the allegations in any regulatory or other action against us are proven false, any surrounding negative publicity could harm consumer, marketing partner or health insurance carrier confidence in us, which could significantly damage our brand. Because some consumers, marketing partners and health insurance carriers may not be comfortable with the concept of purchasing health insurance using the Internet, any negative publicity may affect us more than it would others in the health insurance industry and would harm our business, operating results and financial condition. Changes in insurance laws, regulations and guidelines may also be incompatible with various aspects of our business and require that we make significant modifications to our existing technology or practices, which may be costly and time-consuming to implement and could also harm our business, operating results and financial condition.

In addition, we have received, and may in the future receive, inquiries from regulators regarding our marketing and business practices. We typically respond by explaining how we believe we are in compliance with relevant regulations or may modify our practices in connection with the inquiry. Any modification of our marketing or business practices in response to future regulatory inquiries could harm our business, operating results or financial condition.

Risks Related to the Internet and Electronic Commerce

Our business is subject to security risks and, if we are unable to safeguard the security and privacy of confidential data, including personal health information, our business will be harmed.

Our services involve the collection and storage of confidential information of consumers and the transmission of this information to their chosen health insurance carriers and to government. For example, we collect names, addresses, Social Security and credit card numbers, and information regarding the medical history of consumers. As a result, we are subject to

various laws and regulations regarding the collection, maintenance, protection, use, transmission, disclosure and disposal of sensitive personal information. We cannot guarantee that our facilities and systems, and those of our third party service providers, will be free of security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming and/or human errors or other similar events. Compliance with privacy and security laws, requirements and regulations may result in cost increases due to new constraints on our business, the development of new processes, the effects of potential non-compliance by us or third party service providers, and enforcement actions. We may be required to expend significant amounts and other resources to protect against security breaches or to alleviate problems caused by security breaches. Despite our implementation of security measures, techniques used to obtain unauthorized access or to sabotage systems change frequently. As a result, we may be unable to anticipate these techniques or to implement adequate preventative measures. Additionally, our third party service providers may cause security breaches for which we are responsible.

Any compromise or perceived compromise of our security by us or by one of our vendors could damage our reputation, cause the termination of relationships with government-run health insurance exchanges and our members, marketing partners and health insurance carriers, reduce demand for our services and subject us to significant liability and expense as well as regulatory action and lawsuits, which would harm our business, operating results and financial condition. While we have contingency plans and insurance coverage for potential liabilities of this nature, these may not be sufficient to cover all claims or a significant amount of our liability. In addition, in the event that data security laws are implemented, or our health insurance carrier or other partners determine to impose requirements on us relating to data security, we may not be able to timely comply with such requirements or such requirements may not be compatible with our current processes. Changing our processes could be time consuming and expensive, and failure to timely implement required changes could result in our inability to sell health insurance plans in a particular jurisdiction or for a particular health insurance carrier or subject us to liability for non-compliance, any of which would damage our business, operating results and financial condition. For instance, health insurance carriers may require us to be compliant with Payment Card Industry, or PCI, security standards in order to accept credit card information from consumers. PCI compliance is generally assessed on an annual basis, and we may not always be compliant with new and evolving PCI standards. If we are not in compliance with PCI standards, we may not be able to accept credit card information from consumers and our relationship with health insurance carriers could be adversely impacted or terminated, which would harm our business, operating results and financial condition.

Government regulation of the Internet could adversely affect our business.

The laws governing general commerce on the Internet remain unsettled and it may take years to fully determine whether and how existing laws such as those governing intellectual property, privacy and taxation apply to the Internet. In addition, the growth and development of the market for electronic commerce may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies conducting business over the Internet. Any new laws or regulations or new interpretations of existing laws or regulations relating to the Internet could harm our business and we could be forced to incur substantial costs in order to comply with them, which would harm our business, operating results and financial condition.

Our business could be harmed if we are unable to correspond with our consumers or market the availability of our ecommerce platform by email.

We use email to market our services to potential members and as the primary means of communicating with our existing members. The laws and regulations governing the use of email for marketing purposes continue to evolve and the growth and development of the market for commerce over the Internet may lead to the adoption of additional legislation. If new laws or regulations are adopted, or existing laws and regulations are interpreted, to impose additional restrictions on our ability to send email to our members or potential members, we may not be able to communicate with them in a cost-effective manner. In addition to legal restrictions on the use of email, Internet service providers, e-mail service providers and others attempt to block the transmission of unsolicited email, commonly known as “spam.” Many Internet and e-mail service providers have relationships with organizations whose purpose it is to detect and notify the Internet and e-mail service providers of entities that the organization believes is sending unsolicited e-mail. If an Internet or e-mail service provider identifies email from us as “spam” as a result of reports from these organizations or otherwise, we can be placed on a restricted list that will block our email to members or potential members. If we are unable to communicate by email with our members and potential members as a result of legislation, blockage or otherwise, our business, operating results and financial condition would be harmed.

Consumers depend upon third-party service providers to access our website, and our business and operating results could be harmed as a result of technical difficulties experienced by these service providers.

Consumers using our website depend upon Internet, online and other service providers for access to our website. Many of these service providers have experienced significant outages, delays and other difficulties in the past and could experience them in the future. Any significant interruption in access to our website or increase in our website's response time as a result of these difficulties could damage our relationship with insurance carriers, marketing partners and existing and potential members and could harm our business, operating results and financial condition.

Risks Related to the Ownership of Our Common Stock

The trading price of our common stock may be subject to significant fluctuations and volatility, and our stockholders may be unable to resell their shares at a profit.

The stock markets, in general, and the markets for high technology stocks in particular, have historically experienced high levels of volatility. The market for technology stocks has been extremely volatile and frequently reaches levels that bear no relationship to the past or present operating performance of those companies. These broad market fluctuations may adversely affect the trading price of our common stock. In addition, the trading price of our common stock has been subject to significant fluctuations and may continue to fluctuate or decline, particularly as a result of developments relating to health care reform legislation and the implementation of health care reform. Other factors that could cause fluctuations in the trading price of our common stock include, but are not limited to, the following:

- price and volume fluctuations in the overall stock market from time to time;
- significant volatility in the market price and trading volume of technology companies in general, and companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our operating results;
- actual or anticipated changes in the expectations of investors or securities analysts, including changes in financial estimates or investment recommendations by securities analysts who follow our business and changes in perceptions relating to the economy;
- speculation in the press or investment community;
- technological advances or introduction of new products by us or our competitors;
- actual or anticipated developments in our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry or both;
- actual or anticipated regulatory developments in the United States or foreign countries, including health care reform legislation in the United States;
- major catastrophic events;
- announcements or developments relating to the economy;
- our sale of common stock or other securities in the future;
- the trading volume of our common stock, as well as sales of large blocks of our stock; or
- departures of key personnel.

These factors, as well as general economic and political conditions and the announcement of proposed and completed acquisitions or other significant transactions, or any difficulties associated with such transactions, by us or our strategic partners, customers or our current competitors, may materially adversely affect the market price of our common stock in the future. In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against that company. As discussed in Item 1, Legal Proceedings, securities class action litigation has

been filed against us. Such litigation could result in substantial cost and a diversion of management's attention and resources. In addition, volatility, lack of positive performance in our stock price or changes to our overall compensation program, including our equity incentive program, may adversely affect our ability to retain key employees.

Our actual operating results may differ significantly from our guidance.

From time to time, we have released, and may continue to release guidance in earnings conference calls, earnings releases, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which includes forward-looking statements, has been and will be based on projections prepared by our management. These projections are not prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, and neither our registered public accountants nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person expresses any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We may state possible outcomes as high and low ranges. Any range we provide is not intended to imply that actual results could not fall outside of the suggested ranges. The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. For example, our actual financial results for the fiscal year 2014 did not fall within the ranges previously provided by our guidance. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. In light of the foregoing, investors are urged not to rely upon our guidance in making an investment decision regarding our common stock.

Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this "Risk Factors" section could result in the actual operating results being different from our guidance, and the differences may be adverse and material.

A limited number of stockholders have the ability to influence the outcome of director elections and other matters requiring stockholder approval.

A small number of stockholders and their affiliated entities beneficially owned more than 50% percent of our outstanding common stock as of June 30, 2016. These stockholders, if they act together, could exert substantial influence over matters requiring approval by our stockholders, including the election of directors, the amendment of our certificate of incorporation and bylaws and the approval of mergers or other business combination transactions. This concentration of ownership may discourage, delay or prevent a change in control of our company, which could deprive our stockholders of an opportunity to receive a premium for their stock as part of a sale of our company and might reduce our stock price. These actions may be taken even if they are opposed by other stockholders.

Certain provisions in our charter documents and Delaware law could discourage takeover attempts and lead to management entrenchment.

Our certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in our management without the consent of our board of directors. These provisions include:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- cumulative voting in the election of directors is prohibited, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our board of directors;

- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;

- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;

- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and

- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us.

We are also subject to certain anti-takeover provisions under Delaware law. Under Delaware law, a corporation may, in general, not engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction.

ITEM 6. EXHIBITS

(a) Exhibits

Except as so indicated in Exhibits 32.1 and 32.2, the following exhibits are filed as part of, or incorporated by reference into, this quarterly report on Form 10-Q.

			Incorporation by Reference Herein	
Exhibit Number		**Description of Exhibit**	**Form**	**Date**
10.1	†*	Separation Agreement and Release, dated May 31, 2016, between Gary Lauer L. and eHealth, Inc.		
10.2	†*	Employment Agreement, dated May 31, 2016, between Scott N. Flanders and eHealth, Inc.		
10.3	†*	Separation Agreement and Release, dated June 27, 2016, between William T. Shaughnessy and eHealth, Inc.		
10.4	†*	Transition Agreement and Release, dated July 11, 2016, between Stuart Huizinga and eHealth, Inc.		
10.5	†*	Employment Agreement, dated July 11 2016, between David Francis and eHealth, Inc.		
10.6	†*	2016 Chief Executive Officer Bonus Plan		
10.7	†*	Form of Notice of Stock Option Grant and Stock Option Agreement (Performance-Based Vesting) under the 2014 Equity Incentive Plan of eHealth, Inc.		
10.8	†*	Form of Notice of Stock Unit Grant and Stock Unit Agreement (Performance-Based Vesting) under the 2014 Equity Incentive Plan of eHealth, Inc.		
10.9	†*	Notice of Stock Option Grant and Stock Option Agreement (Performance-Based Vesting) granted to Scott N. Flanders on June 3, 2016		
10.10	†*	Notice of Stock Unit Grant and Stock Unit Agreement (Performance-Based Vesting) granted to Scott N. Flanders on June 3, 2016		
10.11	†*	Form of Severance Letter		
10.12		Eighth Amendment to Standard Lease Agreement (Office) and Partial Termination of Lease dated June 23, 2016	Form 8-K	June 28, 2016
31.1	†	Certification of Scott N. Flanders, Chief Executive Officer of eHealth, Inc., pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.2	†	Certification of Stuart M. Huizinga, Principal Financial Officer of eHealth, Inc., pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.1	‡	Certification of Scott N. Flanders, Chief Executive Officer of eHealth, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2	‡	Certification of Stuart M. Huizinga, Principal Financial Officer of eHealth, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
101.INS	**	XBRL Instance Document		
101.SCH	**	XBRL Taxonomy Extension Schema Document		
101.CAL	**	XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	**	XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB	**	XBRL Taxonomy Extension Label Linkbase Document		
101.PRE	**	XBRL Taxonomy Extension Presentation Linkbase Document		

† Filed herewith.
‡ Furnished herewith.
* Indicates a management contract or compensatory plan or arrangement.
** Pursuant to applicable securities laws and regulations, these interactive data files are deemed furnished and not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act, are deemed furnished and not filed for purposes of Section 18 of the Exchange Act and otherwise are not subject to liability under these sections.

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 thereunto duly authorized on the 8th day of August 2016.

eHealth, Inc.

/s/ Scott N. Flanders
Scott N. Flanders
Chief Executive Officer
(Duly Authorized Officer on Behalf of the Registrant)

/s/ Stuart M. Huizinga
Stuart M. Huizinga
Principal Financial Officer and Accounting Officer

EXHIBIT INDEX

Exhibit Number		Description of Exhibit	Incorporation by Reference Herein: Form	Incorporation by Reference Herein: Date
10.1	†*	Separation Agreement and Release, dated May 31, 2016, between Gary Lauer L. and eHealth, Inc.		
10.2	†*	Employment Agreement, dated May 31, 2016, between Scott N. Flanders and eHealth, Inc.		
10.3	†*	Separation Agreement and Release, dated June 27, 2016, between William T. Shaughnessy and eHealth, Inc.		
10.4	†*	Transition Agreement and Release, dated July 11, 2016, between Stuart Huizinga and eHealth, Inc.		
10.5	†*	Employment Agreement, dated July 11 2016, between David Francis and eHealth, Inc.		
10.6	†*	2016 Chief Executive Officer Bonus Plan		
10.7	†*	Form of Notice of Stock Option Grant and Stock Option Agreement (Performance-Based Vesting) under the 2014 Equity Incentive Plan of eHealth, Inc.		
10.8	†*	Form of Notice of Stock Unit Grant and Stock Unit Agreement (Performance-Based Vesting) under the 2014 Equity Incentive Plan of eHealth, Inc.		
10.9	†*	Notice of Stock Option Grant and Stock Option Agreement (Performance-Based Vesting) granted to Scott N. Flanders on June 3, 2016		
10.10	†*	Notice of Stock Unit Grant and Stock Unit Agreement (Performance-Based Vesting) granted to Scott N. Flanders on June 3, 2016		
10.11	†*	Form of Severance Letter		
10.12		Eighth Amendment to Standard Lease Agreement (Office) and Partial Termination of Lease dated June 23, 2016	Form 8-K	June 28, 2016
31.1	†	Certification of Scott N. Flanders, Chief Executive Officer of eHealth, Inc., pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
31.2	†	Certification of Stuart M. Huizinga, Principal Financial Officer of eHealth, Inc., pursuant to Exchange Act Rule 13a-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.		
32.1	‡	Certification of Scott N. Flanders, Chief Executive Officer of eHealth, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
32.2	‡	Certification of Stuart M. Huizinga, Principal Financial Officer of eHealth, Inc., pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.		
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SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("***Agreement***") is made by and between **Gary L. Lauer** ("***Executive***") and **eHealth, Inc.** (the "***Company***") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Executive is employed by the Company;

WHEREAS, the Executive's employment with the Company will terminate effective May 31, 2016 (the "***Termination Date***"); and

WHEREAS, the Company desires to retain Executive as an independent contractor to perform services for a certain period (the "***Consulting Term***") following the Termination Date, and Executive is willing to perform such services, on the terms described in the Consulting Agreement attached hereto as Exhibit A (the "***Consulting Agreement***"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Consideration. The Company agrees to pay Executive the following severance benefits:

a. Cash Severance. A lump sum cash amount equal to $1,516,547.95, which payment shall be made on the sixty-first (61st) day following the Termination Date; and

b. Continued Health Benefits. Subject to Executive electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for Executive and Executive's eligible dependents (if any) within the time period prescribed pursuant to COBRA, the Company will pay the COBRA premiums on a monthly basis for such coverage of Executive and any of Executive's eligible dependents covered under the Company's group health insurance (that is, medical, dental and vision) plans as of immediately prior to the termination of Executive employment with the Company, until the earlier of (x) eighteen (18) months following the Termination Date or (y) the date upon which Executive and such eligible dependents of Executive become covered under another employer's group health plans that provide Executive and such eligible dependents with comparable benefits and levels of coverage.

c. Vesting Acceleration. The Company previously granted Executive certain equity awards ("***Equity Awards***") covering shares of the Company's common stock ("***Shares***") under the Company's 2014 Equity Incentive Plan or 2006 Equity Incentive Plan and the terms and conditions of the applicable award agreement governing such Equity Award (collectively the "***Award Documents***"). One hundred percent (100%) of Executive's outstanding and unvested Equity Awards, other than the award of performance-based restricted stock units granted

March 31, 2015 (the "***PRSU Award***"), will accelerate vesting in full. 18,750 Shares underlying the PRSU Award will accelerate vesting and the remaining unvested portion of the PRSU Award shall automatically be forfeited in full upon the Termination Date and Executive will have no further rights with respect to such unvested portion of the PRSU award. To the extent any Equity Awards are subject to a deferral election by Executive (the "**Deferral Election**"), the settlement and delivery of the vested Shares subject to the Equity Awards will occur in accordance with such applicable Deferral Election and applicable Award Documents.

2. Equity Awards. The Parties agree that for purposes of determining the number of shares of the Company's common stock that Executive is entitled to purchase from the Company pursuant to any Equity Awards that are stock options, Executive will be considered to have vested only up to the Termination Date. Executive acknowledges that as of the Termination Date, Executive holds only those outstanding Equity Awards as set forth in Exhibit B attached hereto, and subject to the vesting acceleration in Section 1.c. above, Executive will have vested in the portion of such Equity Awards as specified in Exhibit B attached hereto. The Equity Awards, including the exercise of Executive's vested options and the underlying Shares, shall continue to be governed by the terms and conditions of the Company's Award Documents and any applicable Deferral Election with respect to the Equity Award. The post-termination exercise period of any of Executive's stock options will not begin to run until the date the Consulting Agreement referenced in Section 4 below terminates and Executive ceases providing services thereunder, provided, however, that in no event will any option award be exercisable after the expiration of the award's term.

3. Benefits. Executive's health insurance benefits shall cease on May 31, 2016, subject to Executive's right to continue his/her health insurance under COBRA. Executive's participation in all benefits and incidents of employment, including, but not limited to, vesting in Equity Awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date.

4. Consulting Agreement. Concurrently with this Agreement and for the consideration set forth in this Agreement, the Company and Executive shall enter into the Consulting Agreement attached hereto as Exhibit A.

5. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive.

6. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "***Releasees***"). Executive, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions,

acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Executive's right to purchase or receive, or actual purchase or receipt of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release any claims for indemnification by the Company pursuant to any agreement, statute or otherwise nor does it release any claims for coverage under any D&O or other similar insurance policy. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is

authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Executive the right to recover any monetary damages against the Company; Executive's release of claims herein bars Executive from recovering such monetary relief from the Company).

7. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

8. California Civil Code Section 1542. Executive acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

9. No Pending or Future Lawsuits. Executive represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

10. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, Executive shall not be entitled to any employment with the Company, and Executive hereby waives any right, or alleged right, of employment or re-employment with the Company. Executive further agrees not to apply for employment with the Company and not otherwise pursue an independent contractor or vendor relationship with the Company.

11. Trade Secrets and Confidential Information/Company Property. Executive reaffirms and agrees to observe and abide by the terms of the Proprietary Information and Inventions Agreement with the Company entered into in 2001 (the "***Confidentiality Agreement***"), specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, and nonsolicitation of Company employees. Executive's signature below constitutes his/her certification under penalty of perjury that he/she has returned all documents and other items provided to Executive by the Company, developed or obtained by Executive in connection with his/her employment with the Company, or otherwise belonging to the Company.

12. No Cooperation. Executive agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that he/she cannot provide counsel or assistance.

13. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement shall in any way limit or prohibit Executive from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "*Protected Activity*" shall mean filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, Executive understands that he/she is not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor is Executive obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the relevant government agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement.

14. Nondisparagement. Executive agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from (a) making any public statements regarding the Company other than acknowledging that Executive previously was employed by the

Company, served as its Chief Executive Officer, and was a member of its Board of Directors, and (b) any tortious interference with the contracts and relationships of any of the Releasees. Executive shall direct any inquiries by potential future employers to the Company's human resources department, which shall use its best efforts to provide only the Executive's last position and dates of employment. The members of the Company's Board of Directors agree to refrain from any disparagement, defamation, libel, or slander of Executive.

15. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Executive acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Executive challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Executive under this Agreement and to obtain damages, except as provided by law.

16. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement. Notwithstanding the previous sentence, the Company will reimburse Executive for his reasonable legal fees incurred in the review and negotiation of this Agreement and matters associated with his separation from the Company up to a limit of $7,500.

18. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION IN SANTA CLARA COUNTY, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("***JAMS***"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("***JAMS RULES***"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE

ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

19. Taxes. All payments made pursuant to this Agreement will be subject to any applicable tax withholdings. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Executive or made on his/her behalf under the terms of this Agreement. Executive agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Executive further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Executive's failure to pay or delayed payment of, federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Section 409A. The payments and benefits under this Agreement are intended to be exempt from or otherwise comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the final Treasury regulations and any guidance promulgated thereunder, and any applicable state law equivalent (together, "***Section 409A***"), and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or otherwise to so comply. In no event will any payments pursuant to Section 1.a. be made later than March 15, 2017. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse Executive for any tax imposed or other costs incurred as a result of Section 409A.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. Executive represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

25. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive's relationship with the Company including without limitation the Management Retention Agreement dated March 4, 2010 (the "***Retention Agreement***"), but with the exception of the Confidentiality Agreement and the Award Documents.

26. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and the Company's Chief Executive Officer.

27. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

28. Effective Date. Executive understands that this Agreement shall be null and void if not executed by him within the twenty-one (21) day period set forth under paragraph 6 above. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "***Effective Date***").

29. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

30. Voluntary Execution of Agreement. Executive understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Executive acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

GARY L. LAUER, an individual

Dated: 5/31/16

Gary L. Lauer

EHEALTH, INC.

Dated: 5/31/16

By:

Name: Scott D. Flanders

Title: CEO

EXHIBIT A

CONSULTING AGREEMENT

EHEALTH, INC.

CONSULTING AGREEMENT

This Consulting Agreement (this "***Consulting Agreement***") is made and entered into as of May 31, 2016 (the "***Effective Date***"), by and between **eHealth, Inc.**, a Delaware corporation (the "***Company***"), and **Gary L. Lauer** ("***Consultant***") (each herein referred to individually as a "***Party***," or collectively as the "***Parties***"). Any terms capitalized and not specifically defined herein shall have the meaning ascribed to them under the Separation Agreement and Release by and between the Company and Employee dated May 31, 2016 (the "***Separation Agreement***").

WHEREAS, the Company desires to retain Consultant as an independent contractor to perform transition services for a certain period following the Termination Date, and Consultant is willing to perform such services, on the terms described below; and

WHEREAS, pursuant to the Separation Agreement, the Parties have agreed to enter into this Consulting Agreement and to set forth the terms of the Parties' continuing relationship under this Consulting Agreement, as Consultant transitions to an independent contractor of the Company.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. Services and Compensation

In consideration for the payments and benefits provided to Consultant as set forth in the Separation Agreement and as described in Exhibit 1 attached hereto, Consultant shall perform the services described in Exhibit 1 (the "***Services***") for the Company (or its designee).

2. Confidentiality

A. ***Definition of Confidential Information.*** "***Confidential Information***" means any information (including any and all combinations of individual items of information) that relates to the actual or anticipated business and/or products, research or development of the Company, its affiliates or subsidiaries, or to the Company's, its affiliates' or subsidiaries' technical data, trade secrets, or know-how, including, but not limited to, research, product plans, or other information regarding the Company's, its affiliates' or subsidiaries' products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company on whom Consultant called or with whom Consultant became acquainted during the term of this Consulting Agreement), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company, its affiliates or subsidiaries, either directly or indirectly, in writing, orally or by drawings or inspection of premises, parts, equipment, or other property of Company, its affiliates or subsidiaries. Notwithstanding the foregoing, Confidential Information shall not include any such information which Consultant can establish (i) was publicly known or made generally available prior to the time of disclosure to Consultant; (ii) becomes

publicly known or made generally available after disclosure to Consultant through no wrongful action or inaction of Consultant; or (iii) is in the rightful possession of Consultant, without confidentiality obligations, at the time of disclosure as shown by Consultant's then-contemporaneous written records; *provided* that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception.

B. ***Nonuse and Nondisclosure.*** During and after the term of this Consulting Agreement, Consultant will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Confidential Information, and Consultant will not (i) use the Confidential Information for any purpose whatsoever other than as necessary for the performance of the Services on behalf of the Company, or (ii) disclose the Confidential Information to any third party without the prior written consent of an authorized representative of Company, except that Consultant may disclose Confidential Information to the extent compelled by applicable law; *provided however*, prior to such disclosure, Consultant shall provide prior written notice to Company and seek a protective order or such similar confidential protection as may be available under applicable law. Consultant agrees that no ownership of Confidential Information is conveyed to the Consultant. Without limiting the foregoing, Consultant shall not use or disclose any Company property, intellectual property rights, trade secrets or other proprietary know-how of the Company to invent, author, make, develop, design, or otherwise enable others to invent, author, make, develop, or design identical or substantially similar designs as those developed under this Consulting Agreement for any third party. Consultant agrees that Consultant's obligations under this Section 2.B shall continue after the termination of this Consulting Agreement.

C. ***Other Client Confidential Information.*** Consultant agrees that Consultant will not improperly use, disclose, or induce the Company to use any proprietary information or trade secrets of any former or concurrent employer of Consultant or other person or entity with which Consultant has an obligation to keep in confidence. Consultant also agrees that Consultant will not bring onto the Company's premises or transfer onto the Company's technology systems any unpublished document, proprietary information, or trade secrets belonging to any third party unless disclosure to, and use by, the Company has been consented to in writing by such third party.

D. ***Third Party Confidential Information.*** Consultant recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that at all times during the term of this Consulting Agreement and thereafter, Consultant owes the Company and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out the Services for the Company consistent with the Company's agreement with such third party.

3. Ownership

A. ***Assignment of Inventions.*** Consultant agrees that all right, title, and interest in and to any copyrightable material, notes, records, drawings, designs, inventions, improvements,

developments, discoveries, ideas and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by Consultant, solely or in collaboration with others, during the term of this Consulting Agreement and arising out of, or in connection with, performing the Services under this Consulting Agreement and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing (collectively, "***Inventions***"), are the sole property of the Company. Consultant also agrees to promptly make full written disclosure to the Company of any Inventions and to deliver and assign (or cause to be assigned) and hereby irrevocably assigns fully to the Company all right, title and interest in and to the Inventions.

B. ***Pre-Existing Materials.*** Subject to Section 3.A, Consultant will provide the Company with prior written notice if, in the course of performing the Services, Consultant incorporates into any Invention or utilizes in the performance of the Services any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by Consultant or in which Consultant has an interest, prior to, or separate from, performing the Services under this Consulting Agreement ("***Prior Inventions***"), and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable, worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Consultant will not incorporate any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by any third party into any Invention without Company's prior written permission.

C. ***Moral Rights.*** Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "***Moral Rights***"). To the extent that Moral Rights cannot be assigned under applicable law, Consultant hereby waives and agrees not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. ***Further Assurances.*** Consultant agrees to assist Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title, and interest in and to all Inventions and testifying in a suit or other proceeding relating to such Inventions. Consultant further agrees that Consultant's obligations under this Section 3.E shall continue after the termination of this Consulting Agreement.

E. ***Attorney-in-Fact.*** Consultant agrees that, if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to

secure Consultant's signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3.A, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to execute and file any papers and oaths and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by Consultant. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

4. Conflicting Obligations

A. Consultant represents and warrants that Consultant has no agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Consulting Agreement, Consultant's obligations to the Company under this Consulting Agreement, and/or Consultant's ability to perform the Services. Consultant will not enter into any such conflicting agreement during the term of this Consulting Agreement.

B. Consultant shall require all Consultant's employees, contractors, or other third-parties performing Services under this Consulting Agreement to execute a Confidential Information and Assignment Agreement in the form provided by the Company, and promptly provide a copy of each such executed agreement to the Company. Consultant's violation of this Section 4 will be considered a material breach under Section 6.B.

5. Return of Company Materials

Upon the termination of this Consulting Agreement, or upon Company's earlier request, Consultant will immediately deliver to the Company, and will not keep in Consultant's possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Confidential Information, tangible embodiments of the Inventions, all devices and equipment belonging to the Company, all electronically-stored information and passwords to access such property, those records maintained pursuant to Section 3.D and any reproductions of any of the foregoing items that Consultant may have in Consultant's possession or control.

6. Term and Termination

A. ***Term.*** The term of this Consulting Agreement will begin on the Effective Date of this Consulting Agreement and will continue until the earlier of (i) final completion of the Services, (ii) termination as provided in Section 6.B or December 31, 2016.

B. ***Termination.*** The Company may terminate this Consulting Agreement upon giving Consultant fourteen (14) days prior written notice of such termination pursuant to Section 11.G of this Consulting Agreement. The Company may terminate this Consulting Agreement immediately and without prior notice if Consultant refuses to or is unable to perform the Services or is in breach of any material provision of this Consulting Agreement. Consultant may terminate this Consulting Agreement if Consultant is physically unable to perform the Services or if

the Company is in breach of any material provision of this Consulting Agreement. Upon termination of this Consulting Agreement, Consultant shall have no further obligations to Company.

C. ***Survival.*** Upon any termination, all rights and duties of the Company and Consultant toward each other shall cease except:

(1) The Company will pay, within thirty (30) days after the effective date of termination, all reimbursable expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Section 1 of this Consulting Agreement; and

(2) Section 2 (Confidentiality), Section 3 (Ownership), Section 4.B (Conflicting Obligations), Section 5 (Return of Company Materials), Section 6 (Term and Termination), Section 7 (Independent Contractor; Benefits), Section 9 (Nonsolicitation), Section 9 (Limitation of Liability), Section 10 (Arbitration and Equitable Relief), and Section 11 (Miscellaneous) will survive termination or expiration of this Consulting Agreement in accordance with their terms.

7. Independent Contractor; Benefits

A. ***Independent Contractor.*** It is the express intention of the Company and Consultant that Consultant perform the Services as an independent contractor to the Company. Nothing in this Consulting Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of the Company. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse the Company for) all tools and materials necessary to accomplish this Consulting Agreement and shall incur all expenses associated with performance, except as expressly provided in Exhibit 1. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Consulting Agreement. Consultant agrees to and acknowledges the obligation to pay all self-employment and other taxes on such income.

B. ***Benefits.*** The Company and Consultant agree that Consultant will receive no Company-sponsored benefits from the Company where benefits include, but are not limited to, paid vacation, sick leave, medical insurance and 401k participation. If Consultant is reclassified by a state or federal agency or court as the Company's employee, Consultant will become a reclassified employee and will receive no benefits from the Company, except those mandated by state or federal law, even if by the terms of the Company's benefit plans or programs of the Company in effect at the time of such reclassification, Consultant would otherwise be eligible for such benefits.

8. Nonsolicitation

To the fullest extent permitted under applicable law, from the date of this Consulting Agreement until twelve (12) months after the termination of this Consulting Agreement for any reason (the "***Restricted Period***"), Consultant will not, without the Company's prior written consent, directly or indirectly, solicit any of the Company's employees to leave their employment, or attempt to solicit employees of the Company, either for Consultant or for any other person or entity.

Consultant agrees that nothing in this Section 8 shall affect Consultant's continuing obligations under this Consulting Agreement during and after this twelve (12) month period, including, without limitation, Consultant's obligations under Section 2.

9. Limitation of Liability

IN NO EVENT SHALL COMPANY BE LIABLE TO CONSULTANT OR TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, REGARDLESS OF WHETHER COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT SHALL COMPANY'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS CONSULTING AGREEMENT EXCEED THE AMOUNTS PAID BY COMPANY TO CONSULTANT UNDER THIS CONSULTING AGREEMENT FOR THE SERVICES, DELIVERABLES OR INVENTION GIVING RISE TO SUCH LIABILITY.

10. Arbitration and Equitable Relief

A. ***Arbitration.*** IN CONSIDERATION OF CONSULTANT'S CONSULTING RELATIONSHIP WITH COMPANY, ITS PROMISE TO ARBITRATE ALL DISPUTES RELATED TO CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY AND CONSULTANT'S RECEIPT OF THE COMPENSATION AND OTHER BENEFITS PAID TO CONSULTANT BY COMPANY, AT PRESENT AND IN THE FUTURE, CONSULTANT AGREES THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, SHAREHOLDER OR BENEFIT PLAN OF THE COMPANY IN THEIR CAPACITY AS SUCH OR OTHERWISE), ARISING OUT OF, RELATING TO, OR RESULTING FROM CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY OR THE TERMINATION OF CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY, INCLUDING ANY BREACH OF THIS CONSULTING AGREEMENT, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT AND PURSUANT TO THE ARBITRATION PROVISIONS SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280 THROUGH 1294.2 (THE "***CCP ACT***") AND PURSUANT TO CALIFORNIA LAW, AND SHALL BE BROUGHT IN CONSULTANT'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF, REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE OR REPRESENTATIVE PROCEEDING. NOTWITHSTANDING THE FOREGOING, CONSULTANT UNDERSTANDS THAT CONSULTANT MAY BRING A PROCEEDING AS A PRIVATE ATTORNEY GENERAL AS PERMITTED BY LAW. FOR THE AVOIDANCE OF DOUBT, THE FEDERAL ARBITRATION ACT GOVERNS THIS AGREEMENT AND SHALL CONTINUE TO APPLY WITH FULL FORCE AND EFFECT NOTWITHSTANDING THE APPLICATION OF PROCEDURAL RULES SET FORTH IN THE CCP ACT AND CALIFORNIA LAW. **CONSULTANT AGREES TO ARBITRATE ANY AND ALL COMMON LAW AND/OR STATUTORY CLAIMS UNDER LOCAL, STATE, OR FEDERAL LAW, INCLUDING, BUT NOT LIMITED TO, CLAIMS UNDER TITLE VII OF THE CIVIL**

RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE OLDER WORKERS BENEFIT PROTECTION ACT, THE SARBANES-OXLEY ACT, THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT, THE CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT, THE FAMILY AND MEDICAL LEAVE ACT, THE CALIFORNIA FAMILY RIGHTS ACT, THE CALIFORNIA LABOR CODE, CLAIMS RELATING TO EMPLOYMENT OR INDEPENDENT CONTRACTOR STATUS, CLASSIFICATION AND RELATIONSHIP WITH THE COMPANY, AND CLAIMS OF HARASSMENT, DISCRIMINATION, WRONGFUL TERMINATION, AND BREACH OF CONTRACT, EXCEPT AS PROHIBITED BY LAW. CONSULTANT ALSO AGREES TO ARBITRATE ANY AND ALL DISPUTES ARISING OUT OF OR RELATING TO THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT TO ARBITRATE, BUT NOT TO DISPUTES ABOUT THE ENFORCEABILITY, REVOCABILITY OR VALIDITY OF THIS AGREEMENT TO ARBITRATE OR ANY PORTION HEREOF OR THE CLASS, COLLECTIVE AND REPRESENTATIVE PROCEEDING WAIVER HEREIN. WITH RESPECT TO ALL SUCH CLAIMS AND DISPUTES THAT CONSULTANT AGREES TO ARBITRATE, CONSULTANT HEREBY EXPRESSLY AGREES TO WAIVE, AND DOES WAIVE, ANY RIGHT TO A TRIAL BY JURY. CONSULTANT FURTHER UNDERSTANDS THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH CONSULTANT.

B. ***Procedure.*** CONSULTANT AGREES THAT ANY ARBITRATION WILL BE ADMINISTERED BY JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("***JAMS***") PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES (THE "***JAMS RULES***"), WHICH ARE AVAILABLE AT HTTP://WWW.JAMSADR.COM/RULES-EMPLOYMENT-ARBITRATION/ AND FROM HUMAN RESOURCES. CONSULTANT AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION AND MOTIONS TO DISMISS AND DEMURRERS APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. CONSULTANT AGREES THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. CONSULTANT ALSO AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY WHERE PROVIDED BY APPLICABLE LAW. CONSULTANT AGREES THAT THE DECREE OR AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED AS A FINAL AND BINDING JUDGMENT IN ANY COURT HAVING JURISDICTION THEREOF. CONSULTANT AGREES THAT THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE AND THE CALIFORNIA EVIDENCE CODE, AND THAT THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO RULES OF CONFLICT OF LAW. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. CONSULTANT

FURTHER AGREES THAT ANY ARBITRATION UNDER THIS CONSULTING AGREEMENT SHALL BE CONDUCTED IN SANTA CLARA COUNTY, CALIFORNIA.

C. ***Remedy.*** EXCEPT AS PROVIDED BY THE CCP ACT AND THIS CONSULTING AGREEMENT, ARBITRATION SHALL BE THE SOLE, EXCLUSIVE, AND FINAL REMEDY FOR ANY DISPUTE BETWEEN CONSULTANT AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY THE CCP ACT AND THIS CONSULTING AGREEMENT, NEITHER CONSULTANT NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION.

D. ***Availability of Injunctive Relief.*** IN ACCORDANCE WITH RULE 1281.8 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE PARTIES AGREE THAT ANY PARTY MAY ALSO PETITION THE COURT FOR INJUNCTIVE RELIEF WHERE EITHER PARTY ALLEGES OR CLAIMS A VIOLATION OF ANY AGREEMENT REGARDING INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION OR NONINTERFERENCE. IN THE EVENT EITHER PARTY SEEKS INJUNCTIVE RELIEF, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER REASONABLE COSTS AND ATTORNEYS' FEES.

E. ***Administrative Relief.*** CONSULTANT UNDERSTANDS THAT EXCEPT AS PERMITTED BY LAW THIS CONSULTING AGREEMENT DOES NOT PROHIBIT CONSULTANT FROM PURSUING CERTAIN ADMINISTRATIVE CLAIMS WITH LOCAL, STATE OR FEDERAL ADMINISTRATIVE BODIES OR GOVERNMENT AGENCIES SUCH AS THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING, THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, THE NATIONAL LABOR RELATIONS BOARD, OR THE WORKERS' COMPENSATION BOARD. THIS CONSULTING AGREEMENT DOES, HOWEVER, PRECLUDE CONSULTANT FROM BRINGING ANY ALLEGED WAGE CLAIMS WITH THE DEPARTMENT OF LABOR STANDARDS ENFORCEMENT. LIKEWISE, THIS CONSULTING AGREEMENT DOES PRECLUDE CONSULTANT FROM PURSUING COURT ACTION REGARDING ANY ADMINISTRATIVE CLAIMS, EXCEPT AS PERMITTED BY LAW.

F. ***Voluntary Nature of Agreement.*** CONSULTANT ACKNOWLEDGES AND AGREES THAT HE IS EXECUTING THIS CONSULTING AGREEMENT VOLUNTARILY AND WITHOUT ANY DURESS OR UNDUE INFLUENCE BY THE COMPANY OR ANYONE ELSE. CONSULTANT FURTHER ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS CONSULTING AGREEMENT AND THAT CONSULTANT HAS ASKED ANY QUESTIONS NEEDED FOR CONSULTANT TO UNDERSTAND THE TERMS, CONSEQUENCES AND BINDING EFFECT OF THIS CONSULTING AGREEMENT AND FULLY UNDERSTAND IT, INCLUDING THAT ***CONSULTANT IS WAIVING HIS RIGHT TO A JURY TRIAL***. FINALLY, CONSULTANT AGREES THAT HE HAS BEEN PROVIDED AN OPPORTUNITY TO SEEK THE ADVICE OF AN ATTORNEY OF CONSULTANT'S CHOICE BEFORE SIGNING THIS CONSULTING AGREEMENT.

11. Miscellaneous

A. ***Governing Law; Consent to Personal Jurisdiction.*** This Consulting Agreement shall be governed by the laws of the State of California, without regard to the conflicts of law provisions of any jurisdiction. To the extent that any lawsuit is permitted under this Consulting Agreement, the Parties hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in California.

B. ***Assignability.*** This Consulting Agreement will be binding upon Consultant's heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. There are no intended third-party beneficiaries to this Consulting Agreement, except as expressly stated. Except as may otherwise be provided in this Consulting Agreement, Consultant may not sell, assign or delegate any rights or obligations under this Consulting Agreement. Notwithstanding anything to the contrary herein, Company may assign this Consulting Agreement and its rights and obligations under this Consulting Agreement to any successor to all or substantially all of Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, change of control or otherwise.

C. ***Entire Agreement.*** This Consulting Agreement, together with the Separation Agreement, Equity Documents, and Confidentiality Agreement, constitutes the entire agreement and understanding between the Parties with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between the Parties, with the exception of the Separation Agreement, Equity Documents and Confidentiality Agreement. Consultant represents and warrants that he is not relying on any statement or representation not contained in this Consulting Agreement. To the extent any terms set forth in any exhibit or schedule conflict with the terms set forth in this Consulting Agreement, the terms of this Consulting Agreement shall control unless otherwise expressly agreed by the Parties in such exhibit or schedule.

D. ***Headings.*** Headings are used in this Consulting Agreement for reference only and shall not be considered when interpreting this Consulting Agreement.

E. ***Severability.*** If a court or other body of competent jurisdiction finds, or the Parties mutually believe, any provision of this Consulting Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of this Consulting Agreement will continue in full force and effect.

F. ***Modification, Waiver.*** No modification of or amendment to this Consulting Agreement, nor any waiver of any rights under this Consulting Agreement, will be effective unless in a writing signed by the Parties. Waiver by the Company of a breach of any provision of this Consulting Agreement will not operate as a waiver of any other or subsequent breach.

G. ***Notices.*** Any notice or other communication required or permitted by this Consulting Agreement to be given to a Party shall be in writing and shall be deemed given (i) if delivered personally or by commercial messenger or courier service, (ii) when sent by confirmed facsimile, or (iii) if mailed by U.S. registered or certified mail (return receipt requested), to the Party

at the Party's address written below or at such other address as the Party may have previously specified by like notice. If by mail, delivery shall be deemed effective three business days after mailing in accordance with this Section 11.G.

(1) If to the Company, to:
440 East Middlefield Road
Mountain View, CA 94043
Attention: Chief Executive Officer

(2) If to Consultant, to the address for notice on the signature page to this Consulting Agreement or, if no such address is provided, to the last address of Consultant provided by Consultant to the Company.

H. ***Attorneys' Fees.*** In any court action at law or equity that is brought by one of the Parties to this Consulting Agreement to enforce or interpret the provisions of this Consulting Agreement, the prevailing Party will be entitled to reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled.

I. ***Signatures.*** This Consulting Agreement may be signed in two counterparts, each of which shall be deemed an original, with the same force and effectiveness as though executed in a single document.

J. ***Applicability to Past Activities.*** Consultant agrees that if and to the extent that Consultant provided any services or made efforts on behalf of or for the benefit of Company, or related to the current or prospective business of Company in anticipation of Consultant's involvement with the Company, that would have been "Services" if performed during the term of this Consulting Agreement (the "***Prior Consulting Period***") and to the extent that during the Prior Consulting Period: (i) Consultant received access to any information from or on behalf of Company that would have been "Confidential Information" if Consultant received access to such information during the term of this Consulting Agreement; or (ii) Consultant (a) conceived, created, authored, invented, developed or reduced to practice any item (including any intellectual property rights with respect thereto) on behalf of or for the benefit of Company, or related to the current or prospective business of Company in anticipation of Consultant's involvement with Company, that would have been an Invention if conceived, created, authored, invented, developed or reduced to practice during the term of this Consulting Agreement; or (b) incorporated into any such item any pre-existing invention, improvement, development, concept, discovery or other proprietary information that would have been a Prior Invention if incorporated into such item during the term of this Consulting Agreement; then any such information shall be deemed Confidential Information hereunder and any such item shall be deemed an Invention or Prior Invention hereunder, and this Consulting Agreement shall apply to such activities, information or item as if disclosed, conceived, created, authored, invented, developed or reduced to practice during the term of this Consulting Agreement. Consultant further acknowledges that Consultant has been fully compensated for all services provided during any such Prior Consulting Period.

(*signature page follows*)

IN WITNESS WHEREOF, the Parties hereto have executed this Consulting Agreement as of the Effective Date set forth above.

CONSULTANT

By: _____

Name: Gary Lauer

Title: _____

EHEALTH, INC.

By: _____

Name: Scott W. Flanders

Title: CEO

Address for Notice:

340 E. Middlefield Rd
Mountain View, CA 94043

EXHIBIT 1

SERVICES AND COMPENSATION

1. ***Contact.*** Consultant's principal Company contact:
   Name: Scott N. Flanders
   Title: Chief Executive Officer
   Email: _____
   Phone: _____

2. ***Services.*** The Services will include, but will not be limited to, the following:

A. Consultant will provide transitional assistance to the Company with respect to the transition of his duties and responsibilities as Chief Executive Officer of the Company.

B. Consultant's services will commence immediately following the Termination Date, and terminate as of December 31, 2016 ("***Scheduled End Date***"), unless earlier terminated under Section 6.B. of the Consulting Agreement.

3. ***Compensation.***

A. Separation Payments. The Company will provide Consultant the payments and benefits set forth in the Separation Agreement in accordance with the terms and conditions set forth therein.

B. Equity Awards. Consultant acknowledges and agrees that Consultant's Equity Awards that are incentive stock options, if any, will become nonstatutory stock options on the date three (3) months and one (1) day following the date of termination of Consultant's employment with the Company. All outstanding Equity Awards that have not yet vested in accordance with their terms (or pursuant to the Separation Agreement) on or before the Termination Date will cease to vest and will be forfeited as of such date, and never will become vested. Consultant acknowledges and agrees that pursuant to the terms of the Separation Agreement, the PRSU Award, to the extent unvested as of the Termination Date, will be forfeited as of the Termination Date and Executive will have no further rights with respect to such unvested portion of the PRSU Award. The Equity Awards (including the exercise of any of Consultant's vested Equity Awards that are options) will continue to be governed by the terms and conditions of the Equity Documents (and Deferral Election, as applicable).

C. Expense Reimbursements. The Company will reimburse Consultant, in accordance with Company policy, for all reasonable expenses incurred by Consultant in performing the Services pursuant to this Consulting Agreement, if Consultant receives written consent from an authorized agent of the Company prior to incurring such expenses and submits receipts for such expenses to the Company in accordance with Company policy.

This **Exhibit 1** is accepted and agreed upon as of May 31, 2016.

CONSULTANT	**EHEALTH, INC.**
By: _____	By: _____
Name: Gary Lauer	Name: Scott W. Flanders
Title: _____	Title: CEO

EXHIBIT B

EXECUTIVE EQUITY AWARDS

Equity Award Type	Grant Date	Plan Name (1)	Number of Shares Subject to Equity Award at Grant	Per Share Exercise Price	Number of Underlying Vested Shares as of Termination Date	Number of Underlying Unvested Shares as of Termination Date
Option	3/16/2010	2006	100,000	$18.37	100,000	0
Restricted Stock Units (2)	4/16/2013	2006	100,000 (3)	Not Applicable	1,825 (4)	13,149 (5)
Restricted Stock Units	4/21/2015	2014	25,000	Not Applicable	3,030 (4)	18,750 (5)
PRSU Award	3/31/2015	2014	75,000 (6)	Not Applicable	0	75,000 (7)

(1) "2006" refers to the Company's 2006 Equity Incentive Plan and "2014" refers to the Company's 2014 Equity Incentive Plan.

(2) This Equity Award was granted as a performance-based restricted stock units, for which the applicable performance criteria previously have been met but which remains subject to time-based vesting.

(3) Indicates target number of Shares that were underlying the Equity Award at grant.

(4) These Shares are vested but have been deferred pursuant to Executive's Deferral Election.

(5) 100% of the unvested portion of these Equity Awards will accelerate vesting subject to the terms of the Agreement. Of the 13,149 unvested Shares underlying the restricted stock unit award granted 4/16/2013, the settlement upon vesting of 4,511 Shares has been deferred pursuant to Executive's Deferral Election. Of the 18,750 unvested Shares underlying the restricted stock unit award granted 4/21/2015, the settlement upon vesting of 15,460 Shares has been deferred pursuant to Executive's Deferral Election.

(6) Indicates target number of Shares underlying the Equity Award.

(7) None of the Shares underlying the PRSU Award have become eligible to vest. 18,750 Shares subject to the PRSU Award will accelerate vesting subject to the terms of the Agreement. The remaining unvested portion of the PRSU Award automatically will be forfeited as of the Termination Date and Executive will have no further rights with respect to such unvested portion of the PRSU Award.

EHEALTH, INC.
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is by and between **EHEALTH, INC.** (the "***Company***") and Scott N. Flanders ("***Executive***").

1. DUTIES AND SCOPE OF EMPLOYMENT.

(a) Positions and Duties. Commencing on May 31, 2016 (the employment start date is referred to herein as the "***Effective Date***"), Executive will serve as the Company's Chief Executive Officer, reporting directly to the Company's Board of Directors (the "***Board***"). As of the Effective Date, Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the Board. Executive's principal place of employment shall be at the Company's offices located at 440 East Middlefield Road, Mountain View, California. The period Executive is employed by the Company under this Agreement is referred to herein as the "***Employment Term.***"

(b) Board Membership. Executive will continue to serve as a member of the Board. Upon the termination of Executive's employment for any reason, unless otherwise requested by the Board, Executive will be deemed to have resigned from the Board (and all other positions held at the Company and its affiliates) voluntarily, without any further action by Executive, as of the end of Executive's employment and Executive, at the Board's request, will execute any documents necessary to reflect his resignation.

(c) Obligations. During the Employment Term, Executive will devote Executive's full business efforts and time to the Company and will use good faith efforts to discharge Executive's obligations under this Agreement to the best of Executive's ability and in accordance with the Company's Code of Business Conduct, For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity, including membership of boards of directors or advisors, for any direct or indirect remuneration without the prior approval of the Board; provided, however that the Company acknowledges that Executive may continue to serve as a member of the board of directors of Playboy Enterprises, Inc., and a member of the advisory board of Disruptive Technologies, L.P., and agrees that such service shall not violate this Section 1(c).

(d) Representation. Executive hereby represents and warrants to the Company that Executive is not party to any contract, understanding, agreement or policy, written or otherwise, that would be breached by Executive's entering into, or performing services under, this Agreement. Executive further represents that as of the date of this Agreement, other than those disclosed to the Company in writing, there are no threatened, pending, or actual claims against Executive of which he is aware as a result of his employment with any previous employer or his membership on any boards of directors.

(e) Other Entities. Executive agrees to serve and may be appointed, without additional compensation, as an officer and director for each of the Company's subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates, including entities in

which the Company has a significant investment as determined by the Company. As used in this Agreement, the term "***affiliates***" will include any entity controlled by, controlling, or under common control of the Company.

2. AT-WILL EMPLOYMENT. Executive and the Company agree that Executive's employment with Company constitutes "at-will" employment. Executive and the Company acknowledge that this employment relationship may be terminated at any time, upon written notice to the other party, with or without Cause or Good Reason (as each such term is defined in Section 8 below), at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment.

3. COMPENSATION.

(a) Base Salary. As of the Effective Date, the Company will pay Executive an annual salary of $600,000 as compensation for his services (such annual salary, as is then effective, to be referred to herein as "***Base Salary***"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and is subject to the usual, required withholdings. Commencing in 2017, the Base Salary shall be reviewed by the compensation committee of the Board at least annually for possible increases (but not decreases).

(b) Annual Incentive. During the Employment Term, Executive will be eligible to receive a target annual incentive equal to 100% of Executive's Base Salary, subject to the terms of the Company's Performance Plan or the Company's Bonus Plan for the first partial year (depending on Executive's start date) and subject to the terms of the Company's Performance Bonus Plan in future years. The actual earned annual incentive, if any, payable to Executive for any performance period will depend upon the extent to which the applicable performance goal(s) specified by are achieved or exceeded. Executive's actual earned incentive for the calendar year in which he commences employment with the Company shall be pro-rated to reflect the initial partial year of Executive's employment with the Company. In no event shall payment be made later than March 15th of the year following the year in which the incentive was earned.

(c) Relocation Payment. Within sixty (60) days after the Effective Date, the Company shall provide Executive with a relocation payment of $300,000, to assist Executive in connection with his relocation to the San Francisco Bay Area.

(d) Stock Option. On the third business day after general public release of the announcement of the hiring of Executive, unless the trading window is closed for any reason on such date with respect to employees of the Company, in which case the grant date will occur on the first day such trading window is reopened (such ultimate grant date, the "***Grant Date***"), Executive will be granted the following two stock option awards:

(i) The first stock option award will be a non-statutory stock option covering one hundred fifty thousand (150,000) shares of Company common stock (the "***Time-Based Option***"). The exercise price will be at a per share exercise price equal to the closing price per share of Company common stock on Nasdaq Global Market on the grant date. Subject to accelerated vesting upon certain terminations of employment as set forth herein, the Time-Based

Option will be scheduled to vest at a rate of 25% on the first anniversary of the Effective Date and as to 1/48th of the originally covered shares each month thereafter, so as to be 100% vested on the four (4) year anniversary of the Effective Date, subject to Executive's continued employment with the Company on each scheduled vesting date. The Time-Based Option will have a maximum term of seven (7) years and will otherwise be subject to the terms and conditions of the Company's 2014 Equity Incentive Plan (the "***Equity Plan***") and the standard form of stock option agreement thereunder, except as specified herein.

(ii) The second stock option award will be a non-statutory stock option covering one hundred fifty thousand (150,000) shares of Company common stock (the "***Performance-Based Option***"). The exercise price will be at a per share exercise price equal to the closing price per share of Company common stock on Nasdaq Global Market on the grant date. Subject to accelerated vesting upon certain terminations of employment as set forth herein, the Performance-Based Option will be scheduled to vest in the manner set forth on Exhibit A hereto, subject to Executive's continued employment with the Company on each scheduled vesting date. The Performance-Based Option will have a maximum term of seven (7) years and will otherwise be subject to the terms and conditions of the Equity Plan and the standard form of stock option agreement thereunder, except as specified herein.

(e) Restricted Stock Units. On the Grant Date, Executive will be granted the following two restricted stock unit awards.

(i) The first restricted stock unit award will cover 100,000 shares of Company common stock (the "***Time-Based RSU***"). Subject to accelerated vesting upon certain terminations of employment as set forth herein, the RSU will be scheduled to vest at a rate of 25% on the covered units on each anniversary of the Effective Date, so as to be 100% vested on the four (4) year anniversary of the Effective Date, subject to Executive's continued employment with the Company on each scheduled vesting date. The Time-Based RSU will otherwise be subject to the terms and conditions of the Equity Plan and the standard form of RSU agreement thereunder, except as specified herein.

(ii) The second restricted stock unit award will cover 200,000 shares of Company common stock (the "***Performance-Based RSU***"). Subject to accelerated vesting upon certain terminations of employment as set forth herein, the Performance-Based RSU will be scheduled to vest in the manner set forth on Exhibit A hereto, subject to Executive's continued employment with the Company on each scheduled vesting date. The Performance-Based RSU will otherwise be subject to the terms and conditions of the Equity Plan and the standard form of performance RSU agreement thereunder, except as specified herein.

4. EMPLOYEE BENEFITS. Executive will be eligible to participate in accordance with the terms of all Company employee benefit plans, policies and arrangements that are applicable to other executive officers of the Company, as such plans, policies and arrangements may exist from time to time.

5. TERM AND TERMINATION OF EMPLOYMENT. In the event Executive's employment with the Company terminates for any reason, Executive will be entitled to any (a) unpaid Base Salary accrued up to the effective date of termination; (b) unpaid, but earned and accrued annual

incentive for any completed fiscal year as of his termination of employment; (c) pay for accrued but unused vacation; (d) benefits or compensation as provided under the terms of any employee benefit and compensation agreements or plans applicable to Executive; (e) unreimbursed business expenses required to be reimbursed to Executive; and (f) rights to indemnification Executive may have under the Company's Articles of Incorporation, Bylaws or separate indemnification agreement, as applicable. In addition, if the termination is by the Company without Cause or Executive resigns for Good Reason, Executive will be entitled to amounts and benefits specified in Section 6.

6. SEVERANCE BENEFITS.

(a) Involuntary Termination Other than for Cause or Voluntary Termination for Good Reason During the Change of Control Period. If within the period beginning on the date the Company enters into a binding definitive agreement to effect a transaction that would be a Change in Control if consummated and ending twelve (12) months following the date of the ensuing Change of Control (the "***Change of Control Period***") (i) Executive terminates his employment with the Company (or any parent or subsidiary of the Company) for "Good Reason" (as defined herein), or (ii) the Company (or any parent or subsidiary of the Company) terminates Executive's employment for other than "Cause" (as defined herein), and Executive signs and does not revoke a standard release of claims with the Company in a form substantially similar to that attached hereto as **EXHIBIT B** (the "***Release***"), then Executive shall receive the following severance benefits from the Company:

(i) ***Severance Payment.*** Executive shall receive a single lump-sum cash severance payment (less applicable withholding taxes) in an amount equal to twenty-four (24) months of Executive's then current annual base salary.

(ii) ***Pro-Rated Annual Bonus.*** Executive shall receive a single lump-sum cash payment equal to Executive's then target annual bonus, multiplied by a fraction, the numerator of which is the number of days in the Company's fiscal year prior to and including the date of Executive's termination of employment and the denominator of which is 365.

(iii) ***Acceleration of Vesting of Equity Compensation.*** One hundred percent (100%) of Executive's outstanding and unvested awards relating to the Company's common stock (whether stock options, stock appreciation rights, shares of restricted stock, restricted stock units, performance shares or otherwise (collectively, the "***Equity Awards***")) will become vested and will otherwise remain subject to the terms and conditions of the applicable Equity Award agreement; provided, however, that only any Performance-Based Options and Performance-Based RSUs that have become earned based on the either the regular or Change in Control-related vesting provisions of Exhibit A hereto shall become vested pursuant to this Section 6(a)(iii).

(iv) ***COBRA.*** Subject to Executive timely electing continuation coverage under Title X of the Consolidated Budget Reconciliation Act of 1985 ("COBRA"), Executive shall receive one-hundred percent (100%) Company-paid group health, dental and vision coverage (the "***Company-Paid Coverage***"). If such coverage included Executive's dependents immediately prior to the Change of Control, such dependents shall also be covered at Company

expense. Company-Paid Coverage shall continue until the earlier of (i) eighteen (18) months from the date of termination, or (ii) the date upon which Executive and his dependents become covered under another employer's group health, dental and vision plans that provide Executive and his dependents with comparable benefits and levels of coverage (such earlier date, the "***COBRA Termination Date***"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot provide the Company-Paid Coverage without a substantial risk of violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's (and Executive's dependents', as applicable) group health, dental and vision coverage in effect on the date of Executive's employment termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made to Executive regardless of whether Executive elects COBRA continuation coverage and shall end on the COBRA Termination Date.

(b) Involuntary Termination Other than for Cause or Voluntary Termination for Good Reason Outside the Change of Control Period. If during the term of this Agreement and other than during the Change in Control Period, (i) Executive terminates his or her employment with the Company (or any parent or subsidiary of the Company) for "***Good Reason***" (as defined herein), or (ii) the Company (or any parent or subsidiary of the Company) terminates Executive's employment for other than "***Cause***" (as defined herein), and Executive signs and does not revoke the Release, then Executive shall receive the severance benefits from the Company set forth in Sections 6(a)(i), 6(a)(ii) and 6(a)(iv) above and in addition One Hundred Percent (100)%) of any Performance-Based Options and Performance-Based RSUs that have been earned as of the date of Executive's termination of employment based on the vesting provisions of Exhibit A hereto shall become vested.

(c) Voluntary Resignation; Termination for Cause; Death or Disability; Notice. If Executive's employment with the Company terminates (i) voluntarily by Executive other than for Good Reason (ii) for Cause by the Company, or (iii) due to Executive's death or Disability (as defined hereunder), then Executive shall not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company. Executive agrees to provide the Company with six (6) months written notice in the event of his voluntary termination of employment other than for Good Reason.

(d) Exclusive Remedy. The provisions of this Section 6 are intended to be and are Executive's exclusive rights to severance payments and benefits in the event of termination of service. The parties hereto agree that nothing herein is intended to result in duplication of severance or any other benefits.

(e) Code Section 409A.

(i) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-l(b)(4) of the regulations issued under Section 409A of the Code (the "***Treasury Regulations***") shall not constitute Deferred Compensation Separation Benefits for purposes of Section 6(e)(ii) below, and consequently shall be paid to Executive promptly following termination as otherwise required by this Agreement.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A of the Code, and the final regulations and any guidance promulgated thereunder ("***Section 409A***") at the time of Executive's separation from service (as such term is defined in Section 409A), then the cash severance benefits payable to Executive under this Agreement along with any other severance payments or separation benefits that may be considered deferred compensation under Section 409A (together, the "***Deferred Compensation Separation Benefits***") that are otherwise due to Executive on or within the six (6) month period following Executive's separation from service shall accrue during such six (6) month period and shall become payable in a lump sum payment on the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent payments, if any, shall be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his separation from service but prior to the six (6) month anniversary of his date of separation from service, then any payments delayed in accordance with this Section shall be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits shall be payable in accordance with the payment schedule applicable to each payment or benefit.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-l(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) shall not constitute Deferred Compensation Separation Benefits for purposes of Section 6(e)(ii) above. For purposes of this Section 6(e), "***Section 409A Limit***" will mean the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-l(b)(9)(iii)(A)(l); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

(iv) It is the intent of this Agreement to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder shall be subject to the additional tax imposed under Section 409A, and any ambiguities herein shall be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A prior to actual payment to Executive.

(v) Notwithstanding any other provisions of this Agreement, Executive's receipt of severance payments and benefits under this Agreement is conditioned upon Executive signing and not revoking the Release and subject to the Release becoming effective within sixty (60) days following Executive's termination of employment (the "***Release Period***"). No

severance will be paid or provided unless the Release becomes effective during the Release Period. Any severance payments to which Executive is entitled under this Agreement shall be paid by the Company to Executive in cash and in full arrears on the date on which the Release becomes effective or such later date as is required to comply with Section 409A; provided however, that if the Release Period straddles two calendar years, the severance payments to which Executive is entitled under this Agreement shall be paid on the latest of (A) the date on which the Release becomes effective, (B) the first business day of the calendar year following the year in which Executive terminates employment with the Company or (C) such later date as is required to comply with Section 409A.

(vi) With respect to reimbursements or in-kind benefits provided to Executive hereunder (or otherwise) that are not exempt from Section 409A, the following rules shall apply: (A) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of Executive's taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (B) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense was incurred and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

7. GOLDEN PARACHUTE EXCISE TAX BEST RESULTS. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "***Code***"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first); and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced.

The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

8. DEFINITION OF TERMS. The following terms referred to in this Agreement shall have the following meanings:

(a) Cause. "***Cause***" shall mean (i) Executive's commission of any act of fraud, embezzlement or dishonesty, (ii) Executive's conviction of, or plea of *nolo contendere* to, a felony under the laws of the United States or any state thereof, (iii) Executive's continued failure to perform lawfully assigned duties for 30 days after receiving written notification from the Board of Directors, (iv) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company, or (v) any other intentional misconduct by Executive that adversely affects the business of the Company in a material manner.

(b) Change of Control. "***Change of Control***" means the occurrence of any of the following, in one or a series of related transactions:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iii) The consummation of the sale, lease or other disposition by the Company of all or substantially all the Company's assets.

(c) Disability. "***Disability***" means Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less

than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees,

(d) Good Reason. "***Good Reason***" means that Executive resigns his employment within 120 days after any of the following is undertaken by the Company (or its acquirer) without Executive's express written consent: (i) a reduction in Executive's title, (ii) a material reduction of Executive's duties, authority or responsibilities, including a material reduction in duties, authority or responsibilities solely by virtue of the Company being acquired and made part of a larger entity such that Executive is no longer the Chief Executive Officer of a publicly-traded company; (ii) any material reduction of Executive's Base Salary and potential bonus (other than a proportionate reduction in Executive's Base Salary that affects all senior management of the Company); (iii) a material change in the geographic location at which Executive must perform services; provided that in no instance will the relocation of Executive to a facility or location of thirty-five (35) miles or less from Executive's then current office location be deemed material for purposes of this Agreement; or (iv) prior to a Change of Control, Executive's position as a member of the Board terminates as a result of the Board's failing to nominate him for election or re-election thereto; provided, however, that Good Reason shall not exist unless Executive has provided written notice to the Board of Directors of the purported grounds for the Good Reason within 90 days of its initial existence and the Company has been provided at least 30 days to remedy the condition.

9. SUCCESSORS.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 9(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

10. NOTICE. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Executive, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices

(attention: Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

11. NOTICE OF TERMINATION. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation shall be communicated by a notice of termination to the other party hereto given in accordance with Section 10 of this Agreement. Such notice shall indicate the specific termination provision in this Agreement relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date (which shall be not more than thirty (30) days after the giving of such notice). The failure by Executive to include in the notice any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

12. INDEMNIFICATION. Subject to applicable law, Executive will be provided indemnification to the maximum extent permitted by the Company's Articles of Incorporation or Bylaws, including, if applicable, any directors and officers insurance policies, with such indemnification to be on terms determined by the Board or any of its committees, but on terms no less favorable than provided to any other Company executive officer or director and subject to the terms of any separate written indemnification agreement.

13. CONFIDENTIAL INFORMATION. Executive will execute simultaneously herewith the Company's standard form of Proprietary Information and Inventions Agreement.

14. MISCELLANEOUS PROVISIONS .

(a) Attorneys' Fees. The Company shall pay directly or reimburse Executive for the reasonable attorneys' fees and costs incurred by him in connection with negotiation and implementation of this Agreement any related agreements or documents, in an amount not to exceed $15,000.

(b) No Duty to Mitigate. Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that Executive may receive from any other source.

(c) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(d) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(e) Entire Agreement. This Agreement, the Proprietary Information and Inventions Agreement and Executive's written equity compensation agreements with the Company constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior

representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied), of the parties with respect to the subject matter hereof.

(f) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

(g) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(h) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(i) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this amended and restated Agreement, in the case of the Company by its duly authorized officer, as of the last date signed below.

COMPANY:

EHEALTH, INC.

By: Ellen O. Tauscher (Jun 2, 2016)

Title: Chairperson, Board of Directors

Date: Jun 2, 2016

EXECUTIVE

By: _____

Date: _____

IN WITNESS WHEREOF, each of the parties has executed this amended and restated Agreement, in the case of the Company by its duly authorized officer, as of the last date signed below.

COMPANY:

EHEALTH, INC.

By:_____

Title:_____

Date:_____

EXECUTIVE

By: _____

Date: 6/1/16

EXHIBIT A

PERFORMANCE-BASED OPTIONS AND PERFORMANCE-BASED RSUS

For purposes of the Performance-Based Options and Performance-Based RSUs (collectively, the "***Performance Awards***"), the "***Performance Period***" shall be the period commencing on the date of grant of the Performance Award and ending on the fourth anniversary of the date of grant. Defined terms used in this Exhibit A and not otherwise defined herein shall have the meaning set forth in the Company's 2014 Equity Incentive Plan.

1. One-quarter of the Performance Awards will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $20.00 per share but is less than $24.00 per share. Thereafter, Executive will become vested in the earned Performance Awards on the first anniversary of the date on which the Performance Awards were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

2. One-quarter of the Performance Awards will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $24.00 per share but is less than $28.00 per share. Thereafter, Executive will become vested in the earned Performance Awards on the first anniversary of the date on which the Performance Awards were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

3. One-quarter of the Performance Awards will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $28.00 per share but is less than $36.00 per share. Thereafter, Executive will become vested in the earned Performance Awards on the first anniversary of the date on which the Performance Awards were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

4. One-quarter of the Performance Awards will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $36.00 per share. Thereafter, Executive will become vested in the earned Performance Awards on the first anniversary of the date on which the Performance Awards were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

The following additional provisions shall apply to the Performance Awards:

- Performance Awards must be earned during the Performance Period, but may become vested after the Performance Period. Performance Awards not earned during the Performance Period will be forfeited.

- If a higher price target goal is met prior to the achievement of a lower price target goal or goals, both the Performance Awards associated with the higher price target goal and the Performance Awards associated with the lower price target goal(s) will be earned. For example, if the goal in paragraph 2 above is met prior to the goal in paragraph 1 having been met, 50% of the Performance Awards shall be earned.

- If during the Performance Period the Company undergoes a Change in Control in which the per-share consideration received by Company stockholders (the "***Per-Share Consideration***") equals or exceeds a price target set forth above (each, a "***Price Hurdle***"), any previously unearned Performance Awards associated with such Price Hurdle will become earned effective as of the Change in Control as if the Price Hurdle was achieved, without regard to the 30-day averaging condition. Executive will then become vested in those earned Performance Awards on the one-year anniversary of the Change in Control. Any Performance Awards that have not become earned prior to or upon the Change in Control will be forfeited.

- Earned Performance Awards may be subject to earlier vesting pursuant to the terms of Sections 6(a)(iii) and 6(b) of the Agreement.

EXHIBIT B

eHEALTH, INC.
RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS ("***Agreement***") is made by and between eHealth, Inc. (the "***Company***"), and _____ ("***Executive***").

WHEREAS, Executive has agreed to enter into a release of claims in favor of the Company upon certain events specified in the Employment Agreement by and between Company and Executive (the "***Employment Agreement***").

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. Termination. Executive's employment from the Company terminated on _____.

2. Confidential Information. Executive shall continue to maintain the confidentiality of all confidential and proprietary information of the Company and shall continue to comply with the terms and conditions of the Proprietary Information and Inventions Agreement between Executive and the Company. Executive shall return all the Company property and confidential and proprietary information in his possession to the Company on the Effective Date of this Agreement.

3. Payment of Salary. Executive acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Executive.

4. Release of Claims. Except as set forth in the last paragraph of this Section 4, Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company. Executive, on behalf of himself, and his respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns, from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that he may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,

(a) any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation,

any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, Executive Retirement Income Security Act of 1974, The Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, and Labor Code section 201, *et seq*. and section 970, *et seq*. and all amendments to each such Act as well as the regulations issued thereunder;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(g) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any severance obligations due Executive under the Employment Agreement or to any vested rights to benefits Executive has under any employee benefit plans of the Company. Nothing in this Agreement waives Executive's rights to indemnification or any payments under any fiduciary or directors & officers insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement, Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that (a) he should consult with an attorney prior to executing this Agreement; (b) he has at least twenty-one (21) days within which to consider this Agreement; (c) he has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement shall not be effective until the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it

impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to the Vice-President of Human Resources at the Company by close of business on the seventh day from the date that Executive signs this Agreement.

6. Civil Code Section 1542. Executive represents that he is not aware of any claims against the Company other than the claims that are released by this Agreement. Executive acknowledges that he has been advised by legal counsel and is familiar with the provisions of California Civil Code 1542, below, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Executive, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

8. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, he shall not be entitled to any employment with the Company, its subsidiaries, or any successor, and he hereby waives any right, or alleged right, of employment or re-employment with the Company.

9. No Cooperation. Executive agrees that he will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so.

10. No Admission of Liability. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

11. Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. Authority. Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

13. No Representations. Executive represents that he has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

14. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. Entire Agreement. This Agreement, along with the Employment Agreement, the Proprietary Information and Inventions Agreement, and Executive's written equity compensation agreements with the Company, represents the entire agreement and understanding between the Company and Executive concerning Executive's separation from the Company.

16. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the Chairman of the Compensation Committee of the Board of Directors of the Company.

17. Governing Law. This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of California.

18. Effective Date. This Agreement is effective eight (8) days after it has been signed by both Parties.

19. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have had the opportunity of being represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains;

(d) They are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EHEALTH, INC.

Dated: By: _____
[name, title]

Dated: _____
[name]

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("***Agreement***") is made by and between **William T. Shaughnessy** ("***Executive***") and **eHealth, Inc.** (the "***Company***") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Executive is employed by the Company;

WHEREAS, the Executive's employment with the Company will terminate effective June 27, 2016 (the "***Termination Date***"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company.

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Termination. Effective as of the Termination Date, Executive will be deemed to have resigned from his position as President and Chief Operating Officer of the Company, member of the Company's Board of Directors, and any other employment, advisory, director and officer positions with the Company or any of its subsidiaries. Executive agrees to execute any documents as necessary or advisable to effect any such resignations.

2. Consideration. The Company agrees to pay Executive the following severance benefits:

a. Salary Severance. Continued payments of Executive's base salary, over a period of twelve (12) months following the Termination Date in an aggregate amount equal to $525,000, payable less any applicable tax withholdings and in accordance with the Company's normal payroll schedule, subject to Section 20 below;

b. Additional Cash Severance. Continued payments of $3,000 per month, payable over a period of twelve (12) months following the Termination Date, for an aggregate amount equal to $36,000, payable less any applicable tax withholdings and subject to Section 20 below.

c. Vesting Acceleration. The Company previously granted Executive certain equity awards ("***Equity Awards***") covering shares of the Company's common stock ("***Shares***") under the Company's 2014 Equity Incentive Plan or 2006 Equity Incentive Plan and the terms and conditions of the applicable award agreement governing such Equity Award (collectively the "***Award Documents***"). Executive's outstanding and unvested Equity Awards, other than the award of performance-based restricted stock units granted March 31, 2015 (the "***PRSU Award***"), will accelerate vesting to the extent that such Equity Award would have vested had Executive remained employed through the one (1) year anniversary of the Termination Date, as set forth in Exhibit A attached hereto. None of the Shares underlying the PRSU Award will accelerate vesting. As a result, the PRSU Award, as well as any remaining unvested portion of Executive's other Equity

Awards, shall automatically be forfeited in full upon the Termination Date and Executive will have no further rights with respect to such Equity Awards (or portion thereof, as applicable).

3. Equity Awards. The Parties agree that for purposes of determining the number of shares of the Company's common stock that Executive is entitled to purchase from the Company pursuant to any Equity Awards that are stock options, or to receive pursuant to any other Equity Awards, Executive will be considered to have vested only up to the Termination Date. Executive acknowledges that as of the Termination Date, Executive holds only those outstanding Equity Awards as set forth in Exhibit A attached hereto, and Executive will have vested in the portion of such Equity Awards as specified in Exhibit A attached hereto. The Equity Awards, including the exercise of Executive's vested options and the underlying Shares, shall continue to be governed by the terms and conditions of the Company's Award Documents, including the obligation to satisfy any applicable tax withholdings. Accordingly, the Equity Awards will be subject to any applicable tax withholdings and such withholdings will occur in accordance with the terms of the award agreement to which the Equity Award is subject. For the avoidance of doubt, upon the vesting of Equity Awards that are restricted stock units, the Company will withhold from such Equity Awards a number of Shares otherwise deliverable under the Equity Award having a value equal to the minimum amount statutorily required to be withheld; and upon the exercise of any Equity Awards that are stock options, Executive will be required to (x) remit a cash payment to the Company in an amount equal to the applicable exercise price and minimum amount statutorily required to be withheld, (y) provide irrevocable directions to a securities broker approved by the Company to sell all or part of the exercised Shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the applicable exercise price and any applicable tax withholdings in an amount equal to the minimum amount statutorily required to be withheld, or (z) such other method specified under the award agreement governing such Equity Award, in each case subject to the terms of the applicable award agreement.

4. Benefits. Executive's health insurance benefits shall cease on June 30, 2016, subject to Executive's right to continue his/her health insurance under COBRA. Executive's participation in all benefits and incidents of employment, including, but not limited to, vesting in Equity Awards, and the accrual of bonuses, vacation, and paid time off, ceased as of the Termination Date.

5. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive.

6. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "***Releasees***"). Executive, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of

action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Executive's right to purchase or receive, or actual purchase or receipt of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release any claims for indemnification by the Company pursuant to any agreement, statute or otherwise nor does it release any claims for coverage under any D&O or other similar insurance policy. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's

right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Executive the right to recover any monetary damages against the Company; Executive's release of claims herein bars Executive from recovering such monetary relief from the Company).

7. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive acknowledges and understands that revocation must be accomplished by a written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

8. California Civil Code Section 1542. Executive acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

9. No Pending or Future Lawsuits. Executive represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

10. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, Executive shall not be entitled to any employment with the Company, and Executive hereby waives any right, or alleged right, of employment or re-employment with the Company. Executive further agrees not to apply for employment with the Company and not otherwise pursue an independent contractor or vendor relationship with the Company.

11. Trade Secrets and Confidential Information/Company Property. Executive reaffirms and agrees to observe and abide by the terms of the Proprietary Information and Inventions Agreement by and between Executive and the Company dated March 28, 2012 (the "***Confidentiality Agreement***"), specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, and nonsolicitation of Company employees. Executive's signature below constitutes his/her certification under penalty of perjury that he/she has returned all documents and other items provided to Executive by the Company, developed or obtained by Executive in connection with his/her employment with the Company, or otherwise belonging to the Company.

12. No Cooperation. Executive agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that he/she cannot provide counsel or assistance.

13. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement shall in any way limit or prohibit Executive from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "*Protected Activity*" shall mean filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, Executive understands that he/she is not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor is Executive obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the relevant government agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement.

14. Nondisparagement. Executive agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from (a) making any public statements regarding the Company other than acknowledging that Executive previously was employed by the

Company, served as its President and Chief Operating Officer, and was a member of its Board of Directors, and (b) any tortious interference with the contracts and relationships of any of the Releasees. Executive shall direct any inquiries by potential future employers to the Company's human resources department, which shall use its best efforts to provide only the Executive's last position and dates of employment. The members of the Company's Board of Directors agree to refrain from any disparagement, defamation, libel, or slander of Executive.

15. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Executive acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Executive challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Executive under this Agreement and to obtain damages, except as provided by law.

16. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

17. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement. Notwithstanding the previous sentence, the Company will reimburse Executive for his reasonable legal fees incurred in the review and negotiation of this Agreement and matters associated with his separation from the Company up to a limit of $7,500.

18. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION IN SANTA CLARA COUNTY, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("***JAMS***"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("***JAMS RULES***"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE

ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

19. Taxes. All payments made pursuant to this Agreement will be subject to any applicable tax withholdings. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Executive or made on his/her behalf under the terms of this Agreement. Executive agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Executive further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Executive's failure to pay or delayed payment of, federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

20. Section 409A. The payments and benefits under this Agreement are intended to be exempt from or otherwise comply with Section 409A of the Internal Revenue Code of 1986, as amended, and the final Treasury regulations and any guidance promulgated thereunder, and any applicable state law equivalent (together, "***Section 409A***"), and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or otherwise to so comply. Notwithstanding any provision to the contrary under this Agreement, any severance payments and benefits payable in cash installments under Section 2 of this Agreement will commence, and any other severance payments and benefits payable in cash under Section 2 of this Agreement will be paid, on the sixty-first (61st) day following the Termination Date (the "***Payment Date***"); any such installments that but for this sentence otherwise would have been payable prior to the Payment Date will be paid on the Payment Date; and any other remaining installment payments payable in cash under Section 2 of this Agreement will be paid as otherwise set forth in this Agreement. Any Equity Awards that are (x) restricted stock units that accelerate vesting pursuant to this Agreement will be settled within thirty (30) days following the Effective Date, and (y) options that accelerate vesting pursuant to this Agreement will accelerate vesting effective as of the Effective Date. In no event will any payments pursuant to Section 17 be made later than March 15, 2017. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse Executive for any tax imposed or other costs incurred as a result of Section 409A.

21. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through

it to the terms and conditions of this Agreement. Executive represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

22. No Representations. Executive represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

23. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

24. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

25. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive's relationship with the Company including without limitation the Employment Agreement dated March 9, 2012, but with the exception of the Confidentiality Agreement and the Award Documents.

26. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and the Company's Chief Executive Officer.

27. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

28. Effective Date. Executive understands that this Agreement shall be null and void if not executed by him within the twenty-one (21) day period set forth under paragraph 6 above. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "***Effective Date***").

29. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

30. Voluntary Execution of Agreement. Executive understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Executive acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

WILLIAM T. SHAUGHNESSY, an individual

Dated: 6/27/2016

William T. Shaughnessy

EHEALTH, INC.

Dated: _____

By: _____

Name: _____

Title: _____

29. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

30. Voluntary Execution of Agreement. Executive understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Executive acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

WILLIAM T. SHAUGHNESSY, an individual

Dated: _____

_____
William T. Shaughnessy

EHEALTH, INC.

Dated: 6/27/16

By: _____

Name: Stuart Huizinga

Title: CFO

EXHIBIT A

EXECUTIVE EQUITY AWARDS

Equity Award Type	Grant Date	Plan Name (1)	Number of Shares Subject to Equity Award at Grant	Per Share Exercise Price	Number of Underlying Vested Shares as of Termination Date	Number of Underlying Unvested Shares as of Termination Date
Option	4/17/2012	2006	400,000	$16.73	333,323	66,677 (2)
Restricted Stock Units (3)	4/16/2013	2006	45,000 (4)	Not Applicable	0	5,917 (2)
Restricted Stock Units	4/21/2015	2014	17,500	Not Applicable	0	13,125 (5)
PRSU Award	3/31/2015	2014	52,500 (6)	Not Applicable	0	52,500 (7)

(1) "2006" refers to the Company's 2006 Equity Incentive Plan and "2014" refers to the Company's 2014 Equity Incentive Plan.

(2) 100% of the unvested portion of each of the stock option award granted on 4/17/2012 and the restricted stock unit award granted on 4/16/2013 will accelerate vesting subject to the terms of the Agreement.

(3) This Equity Award was granted as performance-based restricted stock units, for which certain applicable performance criteria previously have been met, but which remains subject to time-based vesting.

(4) Indicates target number of Shares that were underlying the Equity Award at grant.

(5) Of the 13,125 Shares that constitute the unvested portion of the restricted stock unit award granted 4/21/2015, 4,375 Shares will accelerate vesting subject to the terms of the Agreement. The remaining unvested portion of this Equity Award automatically will be forfeited as of the Termination Date and Executive will have no further rights with respect to such unvested portion of the Equity Award.

(6) Indicates target number of Shares underlying the Equity Award.

(7) None of the Shares underlying the PRSU Award have or will become eligible to vest. The PRSU Award automatically will be forfeited in its entirety as of the Termination Date and Executive will have no further rights with respect to the PRSU Award.

TRANSITION AGREEMENT AND RELEASE

This Transition Agreement and Release ("***Agreement***") is made by and between **Stuart Huizinga** ("***Executive***") and **eHealth, Inc.** (the "***Company***") (collectively referred to as the "Parties" or individually referred to as a "Party").

WHEREAS, Executive is employed by the Company;

WHEREAS, Executive's employment with the Company will terminate effective as of September 30, 2016 (the date of termination of Executive's employment, the "***Termination Date***"); and

WHEREAS, the Company desires to retain Executive as an independent contractor to perform services for a certain period (the "***Consulting Term***") following the Termination Date, and Executive is willing to perform such services, on the terms described in the Consulting Agreement attached hereto as Exhibit A (the "***Consulting Agreement***"); and

WHEREAS, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that the Executive may have against the Company and any of the Releasees as defined below, including, but not limited to, any and all claims arising out of or in any way related to Executive's employment with or separation from the Company;

NOW, THEREFORE, in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Consideration.

a. Transition Services. Executive will remain employed on a full-time basis with the Company from the Effective Date of this Agreement (the "***Transition Date***") through the Termination Date (the "***Transition Period***"). During the Transition Period, Executive's employment with the Company will remain at-will. Either party may terminate the employment relationship at any time and for any reason, subject to the terms of this Agreement.

i. Position and Duties. During the Transition Period, Executive will remain Principal Financial Officer and Principal Accounting Officer, and will remain an employee and officer of the Company. Effective as of July 11, 2016, Executive will be deemed to have resigned from his position as Chief Financial Officer of the Company and, except as set forth in the immediately preceding sentence, from any other employment, service, advisory, director and officer positions with the Company or any of its subsidiaries. Further, effective as of the last day of the Transition Period, Executive will be deemed to have resigned from his position as Principal Financial Officer, Principal Accounting Officer, employee and officer of the Company. Executive agrees to execute any documents as necessary or desirable to effect any such resignations. During the Transition Period, Executive will report to, work with and render such business and professional services in the performance of his duties consistent with Executive's position within the Company as will be reasonably assigned to him by the Company's Chief Executive Officer, including but not limited to the certification of, and any other signatures required with respect to, the Company's Quarterly Report on Form 10-Q for the Company's fiscal quarter ended June 30, 2016.

ii. Compensation. During the Transition Period, the Company will continue to pay Executive his base salary at an annualized rate of $335,000, which will be paid periodically in accordance with the Company's normal payroll practices and will be subject to the usual, required withholdings.

iii. Equity Awards. The Company previously granted Executive certain equity awards ("***Equity Awards***") covering shares of the Company's common stock ("***Shares***") under the Company's 2014 Equity Incentive Plan or 2006 Equity Incentive Plan and the terms and conditions of the applicable award agreement governing such Equity Awards (collectively the "***Award Documents***"), each of which outstanding Equity Awards is set forth in the schedule attached hereto as Exhibit B. The Parties agree that, (x) for purposes of determining the number of Shares that Executive is entitled to purchase from the Company pursuant to any Equity Awards that are stock options, as of the Transition Date, Executive will be considered to have vested in such number of Shares as set forth in Exhibit B attached hereto, and (y) all other Equity Awards that as of the Transition Date are outstanding, and which otherwise remain unvested, are set forth in Exhibit B attached hereto. During the Transition Period, Executive will continue to vest in his Equity Awards in accordance with the terms and conditions of the applicable Award Documents. While Executive continues to provide services to the Company pursuant to the Consulting Agreement, Executive will remain eligible to vest in the Equity Awards (including, for the avoidance of doubt, any Equity Awards that are performance-based), provided that any unvested portion of the Equity Awards automatically will be forfeited in full and Executive will have no further rights with respect to such unvested portion of the Equity Awards upon the termination of such services, in accordance with the terms of the Award Documents. The Equity Awards, including the exercise of any vested options and the underlying Shares, shall continue to be governed by the terms and conditions of the Company's Award Documents. The post-termination exercise period of any of Executive's stock options will not begin to run until the date the Consulting Agreement referenced in subsection b. below terminates and Executive ceases providing services thereunder, provided, however, that in no event will any option award be exercisable after the expiration of the award's term.

iv. Benefits. During the Transition Period, Executive will remain eligible to participate in all benefits of employment, including without limitation the accrual of any bonus, vacation and paid time off, subject to the terms of the plan, program or policy as determined by the Company and as may be in effect from time to time.

b. Consulting Agreement and Supplemental Release. Concurrently with this Agreement, the Company and Executive shall enter into the Consulting Agreement attached hereto as Exhibit A. Upon the Termination Date and for the consideration set forth in the Consulting Agreement, Executive shall enter into the Supplemental Release Agreement attached hereto as Exhibit C, which shall become effective and irrevocable no later than ten (10) days following the Termination Date.

2. Benefits. Executive's health insurance benefits shall cease on the last date of the calendar month in which the Termination Date occurs (which would be September 30, 2016, if Executive remains employed through such date), subject to Executive's right to continue his/her health insurance under COBRA. Executive's participation in all benefits and incidents of employment, including, but not limited to, the accrual of bonuses, vacation, and paid time off, will cease as of the Termination Date. For the avoidance of doubt, Equity Awards will continue to be

eligible to vest as set forth in this Agreement and the applicable Award Documents.

3. Resignation Upon Termination Date. Except as may be specified in the Consulting Agreement, as of the Termination Date, Executive will be deemed to have resigned voluntarily from all Company positions held by him, without any further action required by Executive; provided, however, that Executive agrees to execute any documents as necessary or desirable to effect such resignations.

4. Payment of Salary and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in this Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive.

5. Release of Claims. Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company and its current and former officers, directors, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries, and predecessor and successor corporations and assigns (collectively, the "***Releasees***"). Executive, on his/her own behalf and on behalf of his/her respective heirs, family members, executors, agents, and assigns, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the Effective Date of this Agreement, including, without limitation:

a. any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

b. any and all claims relating to, or arising from, Executive's right to purchase or receive, or actual purchase or receipt of shares of stock of the Company, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

c. any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

d. any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment

Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; the Sarbanes-Oxley Act of 2002; the California Family Rights Act; the California Labor Code; the California Workers' Compensation Act; and the California Fair Employment and Housing Act;

e. any and all claims for violation of the federal or any state constitution;

f. any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

g. any claim for any loss, cost, damage, or expense arising out of any dispute over the nonwithholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

h. any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any obligations incurred under this Agreement. This release does not release any claims for indemnification by the Company pursuant to any agreement, statute or otherwise nor does it release any claims for coverage under any D&O or other similar insurance policy. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that any such filing or participation does not give Executive the right to recover any monetary damages against the Company; Executive's release of claims herein bars Executive from recovering such monetary relief from the Company).

6. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that he/she is waiving and releasing any rights he/she may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that he/she has been advised by this writing that: (a) he/she should consult with an attorney prior to executing this Agreement; (b) he/she has twenty-one (21) days within which to consider this Agreement; (c) he/she has seven (7) days following his/her execution of this Agreement to revoke this Agreement; (d) this Agreement shall not be effective until after the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21-day period identified above, Executive hereby acknowledges that he/she has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Executive acknowledges and understands that revocation must be accomplished by a

written notification to the person executing this Agreement on the Company's behalf that is received prior to the Effective Date. The parties agree that changes, whether material or immaterial, do not restart the running of the 21-day period.

7. California Civil Code Section 1542. Executive acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

8. No Pending or Future Lawsuits. Executive represents that he/she has no lawsuits, claims, or actions pending in his/her name, or on behalf of any other person or entity, against the Company or any of the other Releasees. Executive also represents that he/she does not intend to bring any claims on his/her own behalf or on behalf of any other person or entity against the Company or any of the other Releasees.

9. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, Executive shall not be entitled to any employment with the Company, and Executive hereby waives any right, or alleged right, of employment or re-employment with the Company. Executive further agrees not to apply for employment with the Company and not otherwise pursue an independent contractor or vendor relationship with the Company.

10. Trade Secrets and Confidential Information/Company Property. Executive reaffirms and agrees to observe and abide by the terms of the Proprietary Information and Inventions Agreement with the Company entered into March 17, 2016 (the "***Confidentiality Agreement***"), specifically including the provisions therein regarding nondisclosure of the Company's trade secrets and confidential and proprietary information, and nonsolicitation of Company employees.

11. No Cooperation. Executive agrees that he/she will not knowingly encourage, counsel, or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against any of the Releasees, unless under a subpoena or other court order to do so or as related directly to the ADEA waiver in this Agreement. Executive agrees both to immediately notify the Company upon receipt of any such subpoena or court order, and to furnish, within three (3) business days of its receipt, a copy of such subpoena or other court order. If approached by anyone for counsel or assistance in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints against any of the Releasees, Executive shall state no more than that he/she cannot provide counsel or assistance.

12. Protected Activity Not Prohibited. Executive understands that nothing in this Agreement shall in any way limit or prohibit Executive from engaging for a lawful purpose in any Protected Activity. For purposes of this Agreement, "*Protected Activity*" shall mean filing a charge or complaint, or otherwise communicating, cooperating, or participating with, any state, federal, or other governmental agency, including the Securities and Exchange Commission, the Equal Employment Opportunity Commission, and the National Labor Relations Board. Notwithstanding any restrictions set forth in this Agreement, Executive understands that he/she is not required to obtain authorization from the Company prior to disclosing information to, or communicating with, such agencies, nor is Executive obligated to advise the Company as to any such disclosures or communications. Notwithstanding, in making any such disclosures or communications, Executive agrees to take all reasonable precautions to prevent any unauthorized use or disclosure of any information that may constitute Company confidential information under the Confidentiality Agreement to any parties other than the relevant government agencies. Executive further understands that "Protected Activity" does not include the disclosure of any Company attorney-client privileged communications, and that any such disclosure without the Company's written consent shall constitute a material breach of this Agreement.

13. Nondisparagement. Executive agrees to refrain from any disparagement, defamation, libel, or slander of any of the Releasees, and agrees to refrain from (a) making any public statements regarding the Company (unless requested by the Chief Executive Officer of the Company) other than acknowledging that Executive previously was employed by the Company, served as its Chief Financial Officer, and (b) any tortious interference with the contracts and relationships of any of the Releasees. Executive shall direct any inquiries by potential future employers to the Company's human resources department, which shall use its best efforts to provide only the Executive's last position and dates of employment. The members of the Company's Board of Directors agree to refrain from any disparagement, defamation, libel, or slander of Executive.

14. Breach. In addition to the rights provided in the "Attorneys' Fees" section below, Executive acknowledges and agrees that any material breach of this Agreement, unless such breach constitutes a legal action by Executive challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, or of any provision of the Confidentiality Agreement shall entitle the Company immediately to recover and/or cease providing the consideration provided to Executive under this Agreement and to obtain damages, except as provided by law.

15. No Admission of Liability. Executive understands and acknowledges that this Agreement constitutes a compromise and settlement of any and all actual or potential disputed claims by Executive. No action taken by the Company hereto, either previously or in connection with this Agreement, shall be deemed or construed to be (a) an admission of the truth or falsity of any actual or potential claims or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

16. Costs. The Parties shall each bear their own costs, attorneys' fees, and other fees incurred in connection with the preparation of this Agreement. Notwithstanding the previous sentence, the Company will reimburse Executive for his reasonable legal fees incurred in the review and negotiation of this Agreement and matters associated with his separation from the Company up to a limit of $7,500.

17. ARBITRATION. THE PARTIES AGREE THAT ANY AND ALL DISPUTES ARISING OUT OF THE TERMS OF THIS AGREEMENT, THEIR INTERPRETATION, AND ANY OF THE MATTERS HEREIN RELEASED, SHALL BE SUBJECT TO ARBITRATION IN SANTA CLARA COUNTY, BEFORE JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("***JAMS***"), PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES ("***JAMS RULES***"). THE ARBITRATOR MAY GRANT INJUNCTIONS AND OTHER RELIEF IN SUCH DISPUTES. THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE, AND THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO ANY CONFLICT-OF-LAW PROVISIONS OF ANY JURISDICTION. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. THE DECISION OF THE ARBITRATOR SHALL BE FINAL, CONCLUSIVE, AND BINDING ON THE PARTIES TO THE ARBITRATION. THE PARTIES AGREE THAT THE PREVAILING PARTY IN ANY ARBITRATION SHALL BE ENTITLED TO INJUNCTIVE RELIEF IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE THE ARBITRATION AWARD. THE PARTIES TO THE ARBITRATION SHALL EACH PAY AN EQUAL SHARE OF THE COSTS AND EXPENSES OF SUCH ARBITRATION, AND EACH PARTY SHALL SEPARATELY PAY FOR ITS RESPECTIVE COUNSEL FEES AND EXPENSES; PROVIDED, HOWEVER, THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY, EXCEPT AS PROHIBITED BY LAW. THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO HAVE ANY DISPUTE BETWEEN THEM RESOLVED IN A COURT OF LAW BY A JUDGE OR JURY. NOTWITHSTANDING THE FOREGOING, THIS SECTION WILL NOT PREVENT EITHER PARTY FROM SEEKING INJUNCTIVE RELIEF (OR ANY OTHER PROVISIONAL REMEDY) FROM ANY COURT HAVING JURISDICTION OVER THE PARTIES AND THE SUBJECT MATTER OF THEIR DISPUTE RELATING TO THIS AGREEMENT AND THE AGREEMENTS INCORPORATED HEREIN BY REFERENCE. SHOULD ANY PART OF THE ARBITRATION AGREEMENT CONTAINED IN THIS PARAGRAPH CONFLICT WITH ANY OTHER ARBITRATION AGREEMENT BETWEEN THE PARTIES, THE PARTIES AGREE THAT THIS ARBITRATION AGREEMENT SHALL GOVERN.

18. Taxes. All payments made pursuant to this Agreement will be subject to any applicable tax withholdings. The Company makes no representations or warranties with respect to the tax consequences of the payments and any other consideration provided to Executive or made on his/her behalf under the terms of this Agreement. Executive agrees and understands that he/she is responsible for payment, if any, of local, state, and/or federal taxes on the payments and any other consideration provided hereunder by the Company and any penalties or assessments thereon. Executive further agrees to indemnify and hold the Company harmless from any claims, demands, deficiencies, penalties, interest, assessments, executions, judgments, or recoveries by any government agency against the Company for any amounts claimed due on account of (a) Executive's failure to pay or delayed payment of, federal or state taxes, or (b) damages sustained by the Company by reason of any such claims, including attorneys' fees and costs.

19. Section 409A. The payments and benefits under this Agreement are intended to be exempt from or otherwise comply with Section 409A of the Internal Revenue Code of 1986, as

amended, and the final Treasury regulations and any guidance promulgated thereunder, and any applicable state law equivalent (together, "***Section 409A***"), and any ambiguities or ambiguous terms herein will be interpreted to be so exempt or otherwise to so comply. In no event will any payments pursuant to Section 16 be made later than March 15, 2017. Each payment and benefit payable under this Agreement is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse Executive for any tax imposed or other costs incurred as a result of Section 409A.

20. Authority. The Company represents and warrants that the undersigned has the authority to act on behalf of the Company and to bind the Company and all who may claim through it to the terms and conditions of this Agreement. Executive represents and warrants that he/she has the capacity to act on his/her own behalf and on behalf of all who might claim through him/her to bind them to the terms and conditions of this Agreement. Each Party warrants and represents that there are no liens or claims of lien or assignments in law or equity or otherwise of or against any of the claims or causes of action released herein.

21. No Representations. Executive represents that he/she has had an opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement.

22. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

23. Attorneys' Fees. Except with regard to a legal action challenging or seeking a determination in good faith of the validity of the waiver herein under the ADEA, in the event that either Party brings an action to enforce or effect its rights under this Agreement, the prevailing Party shall be entitled to recover its costs and expenses, including the costs of mediation, arbitration, litigation, court fees, and reasonable attorneys' fees incurred in connection with such an action.

24. Entire Agreement. This Agreement represents the entire agreement and understanding between the Company and Executive concerning the subject matter of this Agreement and Executive's employment with and separation from the Company and the events leading thereto and associated therewith, and supersedes and replaces any and all prior agreements and understandings concerning the subject matter of this Agreement and Executive's relationship with the Company including without limitation the Employment Agreement by and between the Company and Executive dated May 4, 2000, as amended August 22, 2000, but with the exception of the Confidentiality Agreement and the Award Documents.

25. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and the Company's Chief Executive Officer.

26. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard for choice-of-law provisions. Executive consents to personal and exclusive jurisdiction and venue in the State of California.

27. Effective Date. Executive understands that this Agreement shall be null and void if not executed by him within the twenty-one (21) day period set forth under Section 6 above. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Agreement will become effective on the eighth (8th) day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "***Effective Date***"). Notwithstanding the foregoing under this Section and even if this Agreement is revoked as provided in this Section (the "***Revocation***"), Executive's resignation as the Company's Chief Financial Officer shall be effective as of July 1, 2016, and further, in the event of such Revocation, Executive will be deemed to have resigned voluntarily from all positions with the Company and any subsidiary of the Company held by him including without limitation the Company's Principal Financial Officer, Principal Accounting Officer and officer, without any further action required by Executive; provided, however, that Executive agrees to execute any documents as necessary or desirable to effect such resignations.

28. Counterparts. This Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

29. Voluntary Execution of Agreement. Executive understands and agrees that he/she executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of his/her claims against the Company and any of the other Releasees. Executive acknowledges that:

(a) he/she has read this Agreement;

(b) he/she has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of his/her own choice or has elected not to retain legal counsel;

(c) he/she understands the terms and consequences of this Agreement and of the releases it contains; and

(d) he/she is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

STUART HUIZINGA, an individual

Dated: 7/11/16

Stuart Huizinga

EHEALTH, INC.

Dated: 7/11/16

By:

Name: Scott W. Flanders

Title: CEO

EXHIBIT A

CONSULTING AGREEMENT

EHEALTH, INC.

CONSULTING AGREEMENT

This Consulting Agreement (this "***Consulting Agreement***") is made and entered into as of July 11, 2016 (the "***Effective Date***"), by and between **eHealth, Inc.**, a Delaware corporation (the "***Company***"), and **Stuart Huizinga** ("***Consultant***") (each herein referred to individually as a "***Party***," or collectively as the "***Parties***"). Any terms capitalized and not specifically defined herein shall have the meaning ascribed to them under the Transition Agreement and Release by and between the Company and Consultant dated July 11, 2016 (the "***Transition Agreement***").

WHEREAS, the Company desires to retain Consultant as an independent contractor to perform transition services for a certain period following the Termination Date, and Consultant is willing to perform such services, on the terms described below; and

WHEREAS, pursuant to the Transition Agreement, the Parties have agreed to enter into this Consulting Agreement and to set forth the terms of the Parties' continuing relationship under this Consulting Agreement, as Consultant transitions to an independent contractor of the Company.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties hereby agree as follows:

1. Services, Compensation and Supplemental Release

In consideration for the payments and benefits provided to Consultant as set forth in the Transition Agreement and as described in Exhibit 1 attached hereto, Consultant shall perform the services described in Exhibit 1 (the "***Services***") for the Company (or its designee) and enter into the Supplemental Release Agreement attached as Exhibit C to the Transition Agreement in accordance with Section 1.b. of the Transition Agreement.

2. Confidentiality

A. ***Definition of Confidential Information.*** "***Confidential Information***" means any information (including any and all combinations of individual items of information) that relates to the actual or anticipated business and/or products, research or development of the Company, its affiliates or subsidiaries, or to the Company's, its affiliates' or subsidiaries' technical data, trade secrets, or know-how, including, but not limited to, research, product plans, or other information regarding the Company's, its affiliates' or subsidiaries' products or services and markets therefor, customer lists and customers (including, but not limited to, customers of the Company on whom Consultant called or with whom Consultant became acquainted during the term of this Consulting Agreement), software, developments, inventions, discoveries, ideas, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, finances, and other business information disclosed by the Company, its affiliates or subsidiaries, either directly or indirectly, in writing, orally or by drawings or inspection of premises, parts, equipment, or other property of Company, its affiliates or subsidiaries. Notwithstanding the foregoing, Confidential

Information shall not include any such information which Consultant can establish (i) was publicly known or made generally available prior to the time of disclosure to Consultant; (ii) becomes publicly known or made generally available after disclosure to Consultant through no wrongful action or inaction of Consultant; or (iii) is in the rightful possession of Consultant, without confidentiality obligations, at the time of disclosure as shown by Consultant's then-contemporaneous written records; *provided* that any combination of individual items of information shall not be deemed to be within any of the foregoing exceptions merely because one or more of the individual items are within such exception, unless the combination as a whole is within such exception.

B. ***Nonuse and Nondisclosure.*** During and after the term of this Consulting Agreement, Consultant will hold in the strictest confidence, and take all reasonable precautions to prevent any unauthorized use or disclosure of Confidential Information, and Consultant will not (i) use the Confidential Information for any purpose whatsoever other than as necessary for the performance of the Services on behalf of the Company, or (ii) disclose the Confidential Information to any third party without the prior written consent of an authorized representative of Company, except that Consultant may disclose Confidential Information to the extent compelled by applicable law; *provided however*, prior to such disclosure, Consultant shall provide prior written notice to Company and seek a protective order or such similar confidential protection as may be available under applicable law. Consultant agrees that no ownership of Confidential Information is conveyed to the Consultant. Without limiting the foregoing, Consultant shall not use or disclose any Company property, intellectual property rights, trade secrets or other proprietary know-how of the Company to invent, author, make, develop, design, or otherwise enable others to invent, author, make, develop, or design identical or substantially similar designs as those developed under this Consulting Agreement for any third party. Consultant agrees that Consultant's obligations under this Section 2.B shall continue after the termination of this Consulting Agreement.

C. ***Other Client Confidential Information.*** Consultant agrees that Consultant will not improperly use, disclose, or induce the Company to use any proprietary information or trade secrets of any former or concurrent employer of Consultant or other person or entity with which Consultant has an obligation to keep in confidence. Consultant also agrees that Consultant will not bring onto the Company's premises or transfer onto the Company's technology systems any unpublished document, proprietary information, or trade secrets belonging to any third party unless disclosure to, and use by, the Company has been consented to in writing by such third party.

D. ***Third Party Confidential Information.*** Consultant recognizes that the Company has received and in the future will receive from third parties their confidential or proprietary information subject to a duty on the Company's part to maintain the confidentiality of such information and to use it only for certain limited purposes. Consultant agrees that at all times during the term of this Consulting Agreement and thereafter, Consultant owes the Company and such third parties a duty to hold all such confidential or proprietary information in the strictest confidence and not to use it or to disclose it to any person, firm, corporation, or other third party except as necessary in carrying out the Services for the Company consistent with the Company's agreement with such third party.

3. Ownership

A. ***Assignment of Inventions.*** Consultant agrees that all right, title, and interest in and to any copyrightable material, notes, records, drawings, designs, inventions, improvements, developments, discoveries, ideas and trade secrets conceived, discovered, authored, invented, developed or reduced to practice by Consultant, solely or in collaboration with others, during the term of this Consulting Agreement and arising out of, or in connection with, performing the Services under this Consulting Agreement and any copyrights, patents, trade secrets, mask work rights or other intellectual property rights relating to the foregoing (collectively, "***Inventions***"), are the sole property of the Company. Consultant also agrees to promptly make full written disclosure to the Company of any Inventions and to deliver and assign (or cause to be assigned) and hereby irrevocably assigns fully to the Company all right, title and interest in and to the Inventions.

B. ***Pre-Existing Materials.*** Subject to Section 3.A, Consultant will provide the Company with prior written notice if, in the course of performing the Services, Consultant incorporates into any Invention or utilizes in the performance of the Services any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by Consultant or in which Consultant has an interest, prior to, or separate from, performing the Services under this Consulting Agreement ("***Prior Inventions***"), and the Company is hereby granted a nonexclusive, royalty-free, perpetual, irrevocable, transferable, worldwide license (with the right to grant and authorize sublicenses) to make, have made, use, import, offer for sale, sell, reproduce, distribute, modify, adapt, prepare derivative works of, display, perform, and otherwise exploit such Prior Inventions, without restriction, including, without limitation, as part of or in connection with such Invention, and to practice any method related thereto. Consultant will not incorporate any invention, discovery, idea, original works of authorship, development, improvements, trade secret, concept, or other proprietary information or intellectual property right owned by any third party into any Invention without Company's prior written permission.

C. ***Moral Rights.*** Any assignment to the Company of Inventions includes all rights of attribution, paternity, integrity, modification, disclosure and withdrawal, and any other rights throughout the world that may be known as or referred to as "moral rights," "artist's rights," "droit moral," or the like (collectively, "***Moral Rights***"). To the extent that Moral Rights cannot be assigned under applicable law, Consultant hereby waives and agrees not to enforce any and all Moral Rights, including, without limitation, any limitation on subsequent modification, to the extent permitted under applicable law.

D. ***Further Assurances.*** Consultant agrees to assist Company, or its designee, at the Company's expense, in every proper way to secure the Company's rights in Inventions in any and all countries, including the disclosure to the Company of all pertinent information and data with respect thereto, the execution of all applications, specifications, oaths, assignments and all other instruments that the Company may deem necessary in order to apply for, register, obtain, maintain, defend, and enforce such rights, and in order to deliver, assign and convey to the Company, its successors, assigns and nominees the sole and exclusive right, title, and interest in and to all Inventions and testifying in a suit or other proceeding relating to such Inventions. Consultant further

agrees that Consultant's obligations under this Section 3.E shall continue after the termination of this Consulting Agreement.

E. ***Attorney-in-Fact.*** Consultant agrees that, if the Company is unable because of Consultant's unavailability, dissolution, mental or physical incapacity, or for any other reason, to secure Consultant's signature with respect to any Inventions, including, without limitation, for the purpose of applying for or pursuing any application for any United States or foreign patents or mask work or copyright registrations covering the Inventions assigned to the Company in Section 3.A, then Consultant hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Consultant's agent and attorney-in-fact, to act for and on Consultant's behalf to execute and file any papers and oaths and to do all other lawfully permitted acts with respect to such Inventions to further the prosecution and issuance of patents, copyright and mask work registrations with the same legal force and effect as if executed by Consultant. This power of attorney shall be deemed coupled with an interest, and shall be irrevocable.

4. Conflicting Obligations

A. Consultant represents and warrants that Consultant has no agreements, relationships, or commitments to any other person or entity that conflict with the provisions of this Consulting Agreement, Consultant's obligations to the Company under this Consulting Agreement, and/or Consultant's ability to perform the Services. Consultant will not enter into any such conflicting agreement during the term of this Consulting Agreement.

B. Consultant shall require all Consultant's employees, contractors, or other third-parties performing Services under this Consulting Agreement to execute a Confidential Information and Assignment Agreement in the form provided by the Company, and promptly provide a copy of each such executed agreement to the Company. Consultant's violation of this Section 4 will be considered a material breach under Section 6.B.

5. Return of Company Materials

Upon the termination of this Consulting Agreement, or upon Company's earlier request, Consultant will immediately deliver to the Company, and will not keep in Consultant's possession, recreate, or deliver to anyone else, any and all Company property, including, but not limited to, Confidential Information, tangible embodiments of the Inventions, all devices and equipment belonging to the Company, all electronically-stored information and passwords to access such property, those records maintained pursuant to Section 3.D and any reproductions of any of the foregoing items that Consultant may have in Consultant's possession or control.

6. Term and Termination

A. ***Term.*** The term of this Consulting Agreement will begin on the Effective Date of this Consulting Agreement and will continue until the earliest of (i) final completion of the Services, (ii) the Scheduled End Date (as defined in the Exhibit 1 attached hereto), or (iii) termination as provided in Section 6.B (such earliest date of termination, the "***Final Separation Date***").

B. ***Termination.*** The Company may terminate this Consulting Agreement upon giving Consultant fourteen (14) days prior written notice of such termination pursuant to Section 11.G of this Consulting Agreement. The Company may terminate this Consulting Agreement immediately and without prior notice if Consultant refuses to or is unable to perform the Services or is in breach of any material provision of this Consulting Agreement. Consultant may terminate this Consulting Agreement if Consultant is physically unable to perform the Services or if the Company is in breach of any material provision of this Consulting Agreement. Upon termination of this Consulting Agreement, Consultant shall have no further obligations to Company.

C. ***Survival.*** Upon any termination, all rights and duties of the Company and Consultant toward each other shall cease except:

(1) The Company will pay, within thirty (30) days after the effective date of termination, all reimbursable expenses, if any, submitted in accordance with the Company's policies and in accordance with the provisions of Section 1 of this Consulting Agreement; and

(2) Section 2 (Confidentiality), Section 3 (Ownership), Section 4.B (Conflicting Obligations), Section 5 (Return of Company Materials), Section 6 (Term and Termination), Section 7 (Independent Contractor; Benefits), Section 9 (Nonsolicitation), Section 9 (Limitation of Liability), Section 10 (Arbitration and Equitable Relief), and Section 11 (Miscellaneous) will survive termination or expiration of this Consulting Agreement in accordance with their terms.

7. Independent Contractor; Benefits

A. ***Independent Contractor.*** It is the express intention of the Company and Consultant that Consultant perform the Services as an independent contractor to the Company. Nothing in this Consulting Agreement shall in any way be construed to constitute Consultant as an agent, employee or representative of the Company. Without limiting the generality of the foregoing, Consultant is not authorized to bind the Company to any liability or obligation or to represent that Consultant has any such authority. Consultant agrees to furnish (or reimburse the Company for) all tools and materials necessary to accomplish this Consulting Agreement and shall incur all expenses associated with performance, except as expressly provided in Exhibit 1. Consultant acknowledges and agrees that Consultant is obligated to report as income all compensation received by Consultant pursuant to this Consulting Agreement. Consultant agrees to and acknowledges the obligation to pay all self-employment and other taxes on such income.

B. ***Benefits.*** The Company and Consultant agree that Consultant will receive no Company-sponsored benefits from the Company where benefits include, but are not limited to, paid vacation, sick leave, medical insurance and 401k participation. If Consultant is reclassified by a state or federal agency or court as the Company's employee, Consultant will become a reclassified employee and will receive no benefits from the Company, except those mandated by state or federal law, even if by the terms of the Company's benefit plans or programs of the Company in effect at the time of such reclassification, Consultant would otherwise be eligible for such benefits.

8. Nonsolicitation

To the fullest extent permitted under applicable law, from the date of this Consulting Agreement until twelve (12) months after the termination of this Consulting Agreement for any reason (the "***Restricted Period***"), Consultant will not, without the Company's prior written consent, directly or indirectly, solicit any of the Company's employees to leave their employment, or attempt to solicit employees of the Company, either for Consultant or for any other person or entity. Consultant agrees that nothing in this Section 8 shall affect Consultant's continuing obligations under this Consulting Agreement during and after this twelve (12) month period, including, without limitation, Consultant's obligations under Section 2.

9. Limitation of Liability

IN NO EVENT SHALL COMPANY BE LIABLE TO CONSULTANT OR TO ANY OTHER PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES, OR DAMAGES FOR LOST PROFITS OR LOSS OF BUSINESS, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY, WHETHER BASED IN CONTRACT, TORT (INCLUDING NEGLIGENCE) OR OTHER THEORY OF LIABILITY, REGARDLESS OF WHETHER COMPANY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. IN NO EVENT SHALL COMPANY'S LIABILITY ARISING OUT OF OR IN CONNECTION WITH THIS CONSULTING AGREEMENT EXCEED THE AMOUNTS PAID BY COMPANY TO CONSULTANT UNDER THIS CONSULTING AGREEMENT FOR THE SERVICES, DELIVERABLES OR INVENTION GIVING RISE TO SUCH LIABILITY.

10. Arbitration and Equitable Relief

A. ***Arbitration.*** IN CONSIDERATION OF CONSULTANT'S CONSULTING RELATIONSHIP WITH COMPANY, ITS PROMISE TO ARBITRATE ALL DISPUTES RELATED TO CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY AND CONSULTANT'S RECEIPT OF THE COMPENSATION AND OTHER BENEFITS PAID TO CONSULTANT BY COMPANY, AT PRESENT AND IN THE FUTURE, CONSULTANT AGREES THAT ANY AND ALL CONTROVERSIES, CLAIMS, OR DISPUTES WITH ANYONE (INCLUDING COMPANY AND ANY EMPLOYEE, OFFICER, DIRECTOR, SHAREHOLDER OR BENEFIT PLAN OF THE COMPANY IN THEIR CAPACITY AS SUCH OR OTHERWISE), ARISING OUT OF, RELATING TO, OR RESULTING FROM CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY OR THE TERMINATION OF CONSULTANT'S CONSULTING RELATIONSHIP WITH THE COMPANY, INCLUDING ANY BREACH OF THIS CONSULTING AGREEMENT, SHALL BE SUBJECT TO BINDING ARBITRATION UNDER THE FEDERAL ARBITRATION ACT AND PURSUANT TO THE ARBITRATION PROVISIONS SET FORTH IN CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 1280 THROUGH 1294.2 (THE "***CCP ACT***") AND PURSUANT TO CALIFORNIA LAW, AND SHALL BE BROUGHT IN CONSULTANT'S INDIVIDUAL CAPACITY, AND NOT AS A PLAINTIFF, REPRESENTATIVE OR CLASS MEMBER IN ANY PURPORTED CLASS, COLLECTIVE OR REPRESENTATIVE PROCEEDING. NOTWITHSTANDING THE FOREGOING, CONSULTANT UNDERSTANDS THAT CONSULTANT MAY BRING A PROCEEDING AS A

PRIVATE ATTORNEY GENERAL AS PERMITTED BY LAW. FOR THE AVOIDANCE OF DOUBT, THE FEDERAL ARBITRATION ACT GOVERNS THIS AGREEMENT AND SHALL CONTINUE TO APPLY WITH FULL FORCE AND EFFECT NOTWITHSTANDING THE APPLICATION OF PROCEDURAL RULES SET FORTH IN THE CCP ACT AND CALIFORNIA LAW. **CONSULTANT AGREES TO ARBITRATE ANY AND ALL COMMON LAW AND/OR STATUTORY CLAIMS UNDER LOCAL, STATE, OR FEDERAL LAW, INCLUDING, BUT NOT LIMITED TO, CLAIMS UNDER TITLE VII OF THE CIVIL RIGHTS ACT OF 1964, THE AMERICANS WITH DISABILITIES ACT OF 1990, THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967, THE OLDER WORKERS BENEFIT PROTECTION ACT, THE SARBANES-OXLEY ACT, THE WORKER ADJUSTMENT AND RETRAINING NOTIFICATION ACT, THE CALIFORNIA FAIR EMPLOYMENT AND HOUSING ACT, THE FAMILY AND MEDICAL LEAVE ACT, THE CALIFORNIA FAMILY RIGHTS ACT, THE CALIFORNIA LABOR CODE, CLAIMS RELATING TO EMPLOYMENT OR INDEPENDENT CONTRACTOR STATUS, CLASSIFICATION AND RELATIONSHIP WITH THE COMPANY, AND CLAIMS OF HARASSMENT, DISCRIMINATION, WRONGFUL TERMINATION, AND BREACH OF CONTRACT, EXCEPT AS PROHIBITED BY LAW. CONSULTANT ALSO AGREES TO ARBITRATE ANY AND ALL DISPUTES ARISING OUT OF OR RELATING TO THE INTERPRETATION OR APPLICATION OF THIS AGREEMENT TO ARBITRATE, BUT NOT TO DISPUTES ABOUT THE ENFORCEABILITY, REVOCABILITY OR VALIDITY OF THIS AGREEMENT TO ARBITRATE OR ANY PORTION HEREOF OR THE CLASS, COLLECTIVE AND REPRESENTATIVE PROCEEDING WAIVER HEREIN. WITH RESPECT TO ALL SUCH CLAIMS AND DISPUTES THAT CONSULTANT AGREES TO ARBITRATE, CONSULTANT HEREBY EXPRESSLY AGREES TO WAIVE, AND DOES WAIVE, ANY RIGHT TO A TRIAL BY JURY.** CONSULTANT FURTHER UNDERSTANDS THAT THIS AGREEMENT TO ARBITRATE ALSO APPLIES TO ANY DISPUTES THAT THE COMPANY MAY HAVE WITH CONSULTANT.

B. ***Procedure.*** CONSULTANT AGREES THAT ANY ARBITRATION WILL BE ADMINISTERED BY JUDICIAL ARBITRATION & MEDIATION SERVICES, INC. ("***JAMS***") PURSUANT TO ITS EMPLOYMENT ARBITRATION RULES & PROCEDURES (THE "***JAMS RULES***"), WHICH ARE AVAILABLE AT HTTP://WWW.JAMSADR.COM/RULES-EMPLOYMENT-ARBITRATION/ AND FROM HUMAN RESOURCES. CONSULTANT AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO DECIDE ANY MOTIONS BROUGHT BY ANY PARTY TO THE ARBITRATION, INCLUDING MOTIONS FOR SUMMARY JUDGMENT AND/OR ADJUDICATION AND MOTIONS TO DISMISS AND DEMURRERS APPLYING THE STANDARDS SET FORTH UNDER THE CALIFORNIA CODE OF CIVIL PROCEDURE. CONSULTANT AGREES THAT THE ARBITRATOR SHALL ISSUE A WRITTEN DECISION ON THE MERITS. CONSULTANT ALSO AGREES THAT THE ARBITRATOR SHALL HAVE THE POWER TO AWARD ANY REMEDIES AVAILABLE UNDER APPLICABLE LAW, AND THAT THE ARBITRATOR SHALL AWARD ATTORNEYS' FEES AND COSTS TO THE PREVAILING PARTY WHERE PROVIDED BY APPLICABLE LAW. CONSULTANT AGREES THAT THE DECREE OR AWARD RENDERED BY THE ARBITRATOR MAY BE ENTERED AS A FINAL AND BINDING JUDGMENT IN ANY COURT HAVING JURISDICTION

THEREOF. CONSULTANT AGREES THAT THE ARBITRATOR SHALL ADMINISTER AND CONDUCT ANY ARBITRATION IN ACCORDANCE WITH CALIFORNIA LAW, INCLUDING THE CALIFORNIA CODE OF CIVIL PROCEDURE AND THE CALIFORNIA EVIDENCE CODE, AND THAT THE ARBITRATOR SHALL APPLY SUBSTANTIVE AND PROCEDURAL CALIFORNIA LAW TO ANY DISPUTE OR CLAIM, WITHOUT REFERENCE TO RULES OF CONFLICT OF LAW. TO THE EXTENT THAT THE JAMS RULES CONFLICT WITH CALIFORNIA LAW, CALIFORNIA LAW SHALL TAKE PRECEDENCE. CONSULTANT FURTHER AGREES THAT ANY ARBITRATION UNDER THIS CONSULTING AGREEMENT SHALL BE CONDUCTED IN SANTA CLARA COUNTY, CALIFORNIA.

C. ***Remedy.*** EXCEPT AS PROVIDED BY THE CCP ACT AND THIS CONSULTING AGREEMENT, ARBITRATION SHALL BE THE SOLE, EXCLUSIVE, AND FINAL REMEDY FOR ANY DISPUTE BETWEEN CONSULTANT AND THE COMPANY. ACCORDINGLY, EXCEPT AS PROVIDED FOR BY THE CCP ACT AND THIS CONSULTING AGREEMENT, NEITHER CONSULTANT NOR THE COMPANY WILL BE PERMITTED TO PURSUE COURT ACTION REGARDING CLAIMS THAT ARE SUBJECT TO ARBITRATION.

D. ***Availability of Injunctive Relief.*** IN ACCORDANCE WITH RULE 1281.8 OF THE CALIFORNIA CODE OF CIVIL PROCEDURE, THE PARTIES AGREE THAT ANY PARTY MAY ALSO PETITION THE COURT FOR INJUNCTIVE RELIEF WHERE EITHER PARTY ALLEGES OR CLAIMS A VIOLATION OF ANY AGREEMENT REGARDING INTELLECTUAL PROPERTY, CONFIDENTIAL INFORMATION OR NONINTERFERENCE. IN THE EVENT EITHER PARTY SEEKS INJUNCTIVE RELIEF, THE PREVAILING PARTY SHALL BE ENTITLED TO RECOVER REASONABLE COSTS AND ATTORNEYS' FEES.

E. ***Administrative Relief.*** CONSULTANT UNDERSTANDS THAT EXCEPT AS PERMITTED BY LAW THIS CONSULTING AGREEMENT DOES NOT PROHIBIT CONSULTANT FROM PURSUING CERTAIN ADMINISTRATIVE CLAIMS WITH LOCAL, STATE OR FEDERAL ADMINISTRATIVE BODIES OR GOVERNMENT AGENCIES SUCH AS THE DEPARTMENT OF FAIR EMPLOYMENT AND HOUSING, THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, THE NATIONAL LABOR RELATIONS BOARD, OR THE WORKERS' COMPENSATION BOARD. THIS CONSULTING AGREEMENT DOES, HOWEVER, PRECLUDE CONSULTANT FROM BRINGING ANY ALLEGED WAGE CLAIMS WITH THE DEPARTMENT OF LABOR STANDARDS ENFORCEMENT. LIKEWISE, THIS CONSULTING AGREEMENT DOES PRECLUDE CONSULTANT FROM PURSUING COURT ACTION REGARDING ANY ADMINISTRATIVE CLAIMS, EXCEPT AS PERMITTED BY LAW.

F. ***Voluntary Nature of Agreement.*** CONSULTANT ACKNOWLEDGES AND AGREES THAT HE IS EXECUTING THIS CONSULTING AGREEMENT VOLUNTARILY AND WITHOUT ANY DURESS OR UNDUE INFLUENCE BY THE COMPANY OR ANYONE ELSE. CONSULTANT FURTHER ACKNOWLEDGES AND AGREES THAT HE HAS CAREFULLY READ THIS CONSULTING AGREEMENT AND THAT CONSULTANT HAS ASKED ANY QUESTIONS NEEDED FOR CONSULTANT TO UNDERSTAND THE TERMS, CONSEQUENCES AND BINDING EFFECT OF THIS CONSULTING AGREEMENT AND FULLY UNDERSTAND IT, INCLUDING THAT ***CONSULTANT IS WAIVING HIS RIGHT TO***

A JURY TRIAL. FINALLY, CONSULTANT AGREES THAT HE HAS BEEN PROVIDED AN OPPORTUNITY TO SEEK THE ADVICE OF AN ATTORNEY OF CONSULTANT'S CHOICE BEFORE SIGNING THIS CONSULTING AGREEMENT.

11. Miscellaneous

A. ***Governing Law; Consent to Personal Jurisdiction.*** This Consulting Agreement shall be governed by the laws of the State of California, without regard to the conflicts of law provisions of any jurisdiction. To the extent that any lawsuit is permitted under this Consulting Agreement, the Parties hereby expressly consent to the personal and exclusive jurisdiction and venue of the state and federal courts located in California.

B. ***Assignability.*** This Consulting Agreement will be binding upon Consultant's heirs, executors, assigns, administrators, and other legal representatives, and will be for the benefit of the Company, its successors, and its assigns. There are no intended third-party beneficiaries to this Consulting Agreement, except as expressly stated. Except as may otherwise be provided in this Consulting Agreement, Consultant may not sell, assign or delegate any rights or obligations under this Consulting Agreement. Notwithstanding anything to the contrary herein, Company may assign this Consulting Agreement and its rights and obligations under this Consulting Agreement to any successor to all or substantially all of Company's relevant assets, whether by merger, consolidation, reorganization, reincorporation, sale of assets or stock, change of control or otherwise.

C. ***Entire Agreement.*** This Consulting Agreement, together with the Transition Agreement, Award Documents, and Confidentiality Agreement, constitutes the entire agreement and understanding between the Parties with respect to the subject matter herein and supersedes all prior written and oral agreements, discussions, or representations between the Parties, with the exception of the Transition Agreement, Award Documents and Confidentiality Agreement. Consultant represents and warrants that he is not relying on any statement or representation not contained in this Consulting Agreement. To the extent any terms set forth in any exhibit or schedule conflict with the terms set forth in this Consulting Agreement, the terms of this Consulting Agreement shall control unless otherwise expressly agreed by the Parties in such exhibit or schedule.

D. ***Headings.*** Headings are used in this Consulting Agreement for reference only and shall not be considered when interpreting this Consulting Agreement.

E. ***Severability.*** If a court or other body of competent jurisdiction finds, or the Parties mutually believe, any provision of this Consulting Agreement, or portion thereof, to be invalid or unenforceable, such provision will be enforced to the maximum extent permissible so as to effect the intent of the Parties, and the remainder of this Consulting Agreement will continue in full force and effect.

F. ***Modification, Waiver.*** No modification of or amendment to this Consulting Agreement, nor any waiver of any rights under this Consulting Agreement, will be effective unless in a writing signed by the Parties. Waiver by the Company of a breach of any provision of this Consulting Agreement will not operate as a waiver of any other or subsequent breach.

G. ***Notices.*** Any notice or other communication required or permitted by this Consulting Agreement to be given to a Party shall be in writing and shall be deemed given (i) if delivered personally or by commercial messenger or courier service, (ii) when sent by confirmed facsimile, or (iii) if mailed by U.S. registered or certified mail (return receipt requested), to the Party at the Party's address written below or at such other address as the Party may have previously specified by like notice. If by mail, delivery shall be deemed effective three business days after mailing in accordance with this Section 11.G.

(1) If to the Company, to:
440 East Middlefield Road
Mountain View, CA 94043
Attention: Chief Executive Officer

(2) If to Consultant, to the address for notice on the signature page to this Consulting Agreement or, if no such address is provided, to the last address of Consultant provided by Consultant to the Company.

H. ***Attorneys' Fees.*** In any court action at law or equity that is brought by one of the Parties to this Consulting Agreement to enforce or interpret the provisions of this Consulting Agreement, the prevailing Party will be entitled to reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled.

I. ***Signatures.*** This Consulting Agreement may be signed in two counterparts, each of which shall be deemed an original, with the same force and effectiveness as though executed in a single document.

J. ***Applicability to Past Activities.*** Consultant agrees that if and to the extent that Consultant provided any services or made efforts on behalf of or for the benefit of Company, or related to the current or prospective business of Company in anticipation of Consultant's involvement with the Company, that would have been "Services" if performed during the term of this Consulting Agreement (the "***Prior Consulting Period***") and to the extent that during the Prior Consulting Period: (i) Consultant received access to any information from or on behalf of Company that would have been "Confidential Information" if Consultant received access to such information during the term of this Consulting Agreement; or (ii) Consultant (a) conceived, created, authored, invented, developed or reduced to practice any item (including any intellectual property rights with respect thereto) on behalf of or for the benefit of Company, or related to the current or prospective business of Company in anticipation of Consultant's involvement with Company, that would have been an Invention if conceived, created, authored, invented, developed or reduced to practice during the term of this Consulting Agreement; or (b) incorporated into any such item any pre-existing invention, improvement, development, concept, discovery or other proprietary information that would have been a Prior Invention if incorporated into such item during the term of this Consulting Agreement; then any such information shall be deemed Confidential Information hereunder and any such item shall be deemed an Invention or Prior Invention hereunder, and this Consulting Agreement shall apply to such activities, information or item as if disclosed, conceived, created, authored, invented, developed or reduced to practice during the term of this Consulting Agreement.

Consultant further acknowledges that Consultant has been fully compensated for all services provided during any such Prior Consulting Period.

(*signature page follows*)

IN WITNESS WHEREOF, the Parties hereto have executed this Consulting Agreement as of the Effective Date set forth above.

CONSULTANT

By: _____

Name: Stuart Huizinga

Title: [redacted]

Address for Notice:

25 Glen Ridge Ave.

Los Gatos, CA. 95030

EHEALTH, INC.

By: _____

Name: Scott W. Flanders

Title: CEO

EXHIBIT 1

SERVICES AND COMPENSATION

1. ***Contact.*** Consultant's principal Company contact:
   Name: Scott N. Flanders
   Title: Chief Executive Officer
   Email: ScottF@ethealth.com
   Phone: (650) 210-3156

2. ***Services***. The Services will include, but will not be limited to, the following:

A. Consultant will provide transitional assistance to the Company with respect to the transition of his duties and responsibilities as Chief Financial Officer of the Company.

B. Consultant's Services will commence immediately following the Termination Date, and terminate as of the one (1) year anniversary of the Termination Date ("***Scheduled End Date***"), unless earlier terminated under Section 6.B. of the Consulting Agreement (such period, the "***Consulting Period***").

3. ***Compensation***. During the Consulting Period, the Company will provide Consultant the following consideration:

A. Consulting Fee. The Company will pay Consultant a monthly fee of $27,916.67 (and for the avoidance of doubt, prorated with respect to any partial calendar month in which Consultant provides services). Each such payment will be made no later than thirty (30) days following the last day of the calendar month to which such payment relates.

B. Equity Awards. Consultant acknowledges and agrees that Consultant's Equity Awards that are incentive stock options, if any, will become nonstatutory stock options on the date three (3) months and one (1) day following the date of termination of Consultant's employment with the Company. All outstanding Equity Awards that have not vested in accordance with their terms on or before the Final Separation Date will cease to vest and will be forfeited as of the Final Separation Date, and never will become vested. The Equity Awards (including the exercise of any of Consultant's vested Equity Awards that are options) will continue to be governed by the terms and conditions of the Award Documents.

C. Continued COBRA Benefits. Subject to Consultant electing continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***"), for Consultant and Consultant's eligible dependents (if any) within the time period prescribed pursuant to COBRA following the termination of Consultant's employment with the Company, the Company will pay the COBRA premiums on a monthly basis for such coverage of Consultant and any of Consultant's eligible dependents covered under the Company's group health

insurance (that is, medical, dental and vision) plans as of immediately prior to the termination of Consultant's employment with the Company, until the earlier of (x) the date of termination of Consultant's Services or (y) the date upon which Consultant and such eligible dependents of Consultant become covered under another employer's group health plans that provide Consultant and such eligible dependents with comparable benefits and levels of coverage.

D. Expense Reimbursements. The Company will reimburse Consultant, in accordance with Company policy, for all reasonable expenses incurred by Consultant in performing the Services pursuant to this Consulting Agreement, if Consultant receives written consent from an authorized agent of the Company prior to incurring such expenses and submits receipts for such expenses to the Company in accordance with Company policy.

4. ***Termination Without Cause***. In the event that the Consulting Period ends prior to the Scheduled End Date as a result of the Company's termination of Consultant's Services without Cause, the Company will provide:

A. Continued payments of the monthly fee in accordance with Section 3.A. above, as though Consultant had continued to provide Services to the Company through the Scheduled End Date;

B. Any unvested Equity Awards (or portion thereof) that are outstanding as of the date of termination of Consultant's Services that are subject to time-based vesting (but not any performance-based vesting criteria) will accelerate vesting to the extent that such applicable Equity Award (or portion thereof) otherwise would have vested had Consultant continued to provide Services through the Scheduled End Date, and any unvested Equity Awards that remain subject to any performance-based vesting criteria will remain outstanding through the Scheduled End Date and become vested as of the date on which the applicable performance goals are deemed satisfied, but only to the extent that both (x) the applicable performance goals are satisfied on or before the Scheduled End Date, and (y) any time-based vesting criteria would have been satisfied had Consultant continued to provide Services through the Scheduled End Date; provided, however, that such performance-based Equity Awards (or portion thereof) will terminate to the extent the applicable performance goals no longer can become satisfied; and

C. Continued Company-paid COBRA premiums in accordance with Section 3.C. (including for the avoidance of doubt subject to any earlier cessation of such payments upon Consultant becoming covered under another employer's group health plans as described in Section 3.C.), as though Consultant had continued to provide Services to the Company through the Scheduled End Date.

5. ***Definition of Cause***. For purposes of this **Exhibit 1**, "***Cause***" shall mean (i) Consultant's commission of any act of fraud, embezzlement or dishonesty, (ii) Consultant's conviction of, or plea of nolo contendere to, a felony under the laws of the United States or any state thereof, (iii) Consultant's continued failure to perform lawfully assigned duties for 30 days after receiving written notification from the Company, (iv) Consultant's unauthorized use or disclosure of confidential information or trade secrets of the Company, or (v) any other intentional misconduct by Consultant that adversely affects the business of the Company in a material manner.

This **Exhibit 1** is accepted and agreed upon as of July 11, 2016.

CONSULTANT

By: _____

Name: Stuart Huizinga

Title: CFO

EHEALTH, INC.

By: _____

Name: Scott N. Flanders

Title: CEO

EXHIBIT B

EXECUTIVE EQUITY AWARDS

Equity Award Type	Grant Date	Plan Name (1)	Number of Shares Subject to Equity Award at Grant	Per Share Exercise Price	Number of Underlying Vested Shares as of Transition Date	Number of Underlying Unvested Shares as of Transition Date
Option	3/16/10	2006	27,000	$18.37	27,000	0
Restricted Stock Units (2)	4/16/2013	2006	17,500 (3)	Not Applicable	6,508	2,170
Restricted Stock Units	4/16/2013	2006	5,500	Not Applicable	4,125	1,375
PRSU Award	3/31/2015	2014	17,500 (3)	Not Applicable	0	17,500 (4)
Restricted Stock Units	4/21/2015	2014	17,500	Not Applicable	4,375	13,125

(1) "2006" refers to the Company's 2006 Equity Incentive Plan and "2014" refers to the Company's 2014 Equity Incentive Plan.

(2) This Equity Award was granted as a performance-based restricted stock unit. Certain performance criteria under this Equity Award previously were met such that certain shares subject to the Equity Award became eligible to vest but remain subject to time-based vesting.

(3) Indicates target number of Shares that were underlying the Equity Award at grant.

(4) None of the shares underlying the PRSU have become eligible to vest. Shares underlying the PRSU become eligible to vest based on certain stock price targets that have not been achieved.

EXHIBIT C

SUPPLEMENTAL RELEASE AGREEMENT

In consideration for the mutual promises and other consideration provided both in the Transition Agreement and Release by and between eHealth, Inc. (the "***Company***") and **Stuart Huizinga** ("***Executive***") (collectively, the "***Parties***") dated _____, 2016 (the "***Transition Agreement***") and the Consulting Agreement by and between the Company and Executive dated _____, 2016 (the "***Consulting Agreement***"), the Parties hereby extend by this Supplemental Release Agreement (the "***Supplemental Agreement***") such release and waiver of any and all claims that may have arisen during the Transition Period (as defined in the Transition Agreement).

A. Payment of Compensation and Receipt of All Benefits. Executive acknowledges and represents that, other than the consideration set forth in the Consulting Agreement, the Company has paid or provided all salary, wages, bonuses, accrued vacation/paid time off, premiums, leaves, housing allowances, relocation costs, interest, severance, outplacement costs, fees, reimbursable expenses, commissions, stock, stock options, vesting, and any and all other benefits and compensation due to Executive.

B. Supplemental Release. Each of the undersigned Parties hereby verifies and confirms its or his renewed agreement to the terms of the Transition Agreement and Consulting Agreement, including but not limited to the release and waiver of claims set forth in the Transition Agreement, and further extends such release and waiver of claims (if any) that may have arisen during the Transition Period.

C. Return of Company Property. Executive's signature below constitutes his/her certification under penalty of perjury that Executive has returned to the Company, all trade secrets and confidential and proprietary information of the Company or any of its subsidiaries, including files, records, computer access codes and instruction manuals, as well as all documents and other items provided to Executive by the Company, developed or obtained by Executive in connection with his/her employment with the Company, or otherwise belonging to the Company or any of its subsidiaries ("***Company Property and Confidential Information***"). Executive further agrees not to keep any copies of Company Property and Confidential Information.

D. California Civil Code Section 1542. Executive acknowledges that he/she has been advised to consult with legal counsel and is familiar with the provisions of California Civil Code Section 1542, a statute that otherwise prohibits the release of unknown claims, which provides as follows:

> A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.

Executive, being aware of said code section, agrees to expressly waive any rights he/she may have thereunder, as well as under any other statute or common law principles of similar effect.

E. Voluntary Execution of Supplemental Release. Executive understands and agrees that Executive executed this Supplemental Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees. Executive acknowledges that: (a) Executive has read this Supplemental Agreement; (b) Executive has been represented in the preparation, negotiation, and execution of this Supplemental Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (c) Executive understands the terms and consequences of this Supplemental Agreement and of the releases it contains; and (d) Executive is fully aware of the legal and binding effect of this Supplemental Agreement.

F. Release Effective Date. Executive understands that this Supplemental Agreement shall be null and void if not executed by him within the twenty-one (21) days following the termination of Executive's employment with the Company. Each Party has seven (7) days after that Party signs this Agreement to revoke it. This Supplemental Agreement will become effective on the eighth (8th) day after Executive signed this Supplemental Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "***Effective Date***").

G. Counterparts. This Supplemental Agreement may be executed in counterparts and by facsimile, and each counterpart and facsimile shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

IN WITNESS WHEREOF, the Parties have executed this Supplemental Agreement on the respective dates set forth below.

STUART HUIZINGA, an individual

Dated: _____

_____
Stuart Huizinga

EHEALTH, INC.

Dated: _____

By: _____

Name: _____

Title: _____

EHEALTH, INC.
EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "***Agreement***") is by and between **EHEALTH, INC.** (the "***Company***") and Dave Francis ("***Executive***").

1. DUTIES AND SCOPE OF EMPLOYMENT.

(a) Positions and Duties. Commencing on July 11, 2016 (the employment start date is referred to herein as the "***Effective Date***"), Executive will serve as the Company's Chief Financial Officer, reporting directly to the Company's Chief Executive Officer (the "***CEO***"). As of the Effective Date, Executive will render such business and professional services in the performance of his duties, consistent with Executive's position within the Company, as will reasonably be assigned to him by the CEO. Executive's principal place of employment shall be at the Company's offices located at 440 East Middlefield Road, Mountain View, California. The period Executive is employed by the Company under this Agreement is referred to herein as the "***Employment Term.***"

(b) Obligations. During the Employment Term, Executive will devote Executive's full business efforts and time to the Company and will use good faith efforts to discharge Executive's obligations under this Agreement to the best of Executive's ability and in accordance with the Company's Code of Business Conduct. For the duration of the Employment Term, Executive agrees not to actively engage in any other employment, occupation, or consulting activity, including membership of boards of directors or advisors, for any direct or indirect remuneration without the prior approval of the Board of Directors of the Company (the "***Board***").

(c) Representation. Executive hereby represents and warrants to the Company that Executive is not party to any contract, understanding, agreement or policy, written or otherwise, that would be breached by Executive's entering into, or performing services under, this Agreement. Executive further represents that as of the date of this Agreement, other than those disclosed to the Company in writing, there are no threatened, pending, or actual claims against Executive of which he is aware as a result of his employment with any previous employer or his membership on any boards of directors.

(d) Other Entities. Executive agrees to serve and may be appointed, without additional compensation, as an officer and director for each of the Company's subsidiaries, partnerships, joint ventures, limited liability companies and other affiliates, including entities in which the Company has a significant investment as determined by the Company. As used in this Agreement, the term "***affiliates***" will include any entity controlled by, controlling, or under common control of the Company.

2. AT-WILL EMPLOYMENT. Executive and the Company agree that Executive's employment with Company constitutes "at-will" employment. Executive and the Company acknowledge that this employment relationship may be terminated at any time, upon written notice to the other party, with or without Cause or Good Reason (as each such term is defined in Section 8 below), at the option either of the Company or Executive. However, as described in this Agreement, Executive may be entitled to severance benefits depending upon the circumstances of Executive's termination of employment.

3. **COMPENSATION.**

(a) Base Salary. As of the Effective Date, the Company will pay Executive an annual salary of $360,000 as compensation for his services (such annual salary, as is then effective, to be referred to herein as "***Base Salary***"). The Base Salary will be paid periodically in accordance with the Company's normal payroll practices and is subject to the usual, required withholdings.

(b) Annual Incentive. During the Employment Term, Executive will be eligible to receive a target annual incentive equal to 60% of Executive's Base Salary, subject to the terms determined by the Compensation Committee of the Board (the "***Committee***"), in its sole discretion, for the first partial year (depending on Executive's start date) and subject to the terms of the Company's annual cash bonus plan as in effect for similarly situated employees in future years as determined by and in the sole discretion of the Committee. The actual earned annual incentive, if any, payable to Executive for any performance period will depend upon the extent to which the applicable performance goal(s) specified by the Committee are achieved or exceeded. Executive's actual earned incentive for the calendar year in which he commences employment with the Company shall be pro-rated to reflect the initial partial year of Executive's employment with the Company. In no event shall payment be made later than March 15th of the year following the year in which the incentive was earned.

(c) Relocation Payment. Within sixty (60) days after the Effective Date, the Company shall provide Executive with a relocation payment of $100,000, to assist Executive in connection with his relocation to the San Francisco Bay Area. Within sixty (60) days after the date on which the Board determines that Executive and his immediate family has permanently relocated to the San Francisco Bay Area, the Company shall provide Executive with an additional relocation payment of $100,000, to further assist Executive in connection with his relocation to the San Francisco Bay Area; provided, however, that if, in the Board's judgment, Executive and his immediate family have not relocated to the San Francisco Bay Area by August 1, 2017, no additional relocation payment shall be provided to Executive.

(d) Restricted Stock Units. Subject to the approval of the Committee and in accordance with the Company's equity award granting policy, Executive will be granted the following two restricted stock unit awards.

(i) The first restricted stock unit award will cover 75,000 shares of Company common stock (the "***Time-Based RSU***"). Subject to accelerated vesting upon certain terminations of employment as set forth herein, the RSU will be scheduled to vest at a rate of 25% of the covered units on each anniversary of the Effective Date, so as to be 100% vested on the four (4) year anniversary of the Effective Date, subject to Executive's continued service with the Company on each scheduled vesting date. The Time-Based RSU will otherwise be subject to the terms and conditions of the Company's 2014 Equity Incentive Plan (the "***Equity Plan***") and the standard form of RSU agreement thereunder, except as specified herein.

(ii) The second restricted stock unit award will cover 75,000 shares of Company common stock (the "***Performance-Based RSU***"). Subject to accelerated vesting upon certain terminations of employment as set forth herein, the Performance-Based RSU will be scheduled to vest in the manner set forth on Exhibit A hereto, subject to Executive's continued service with the Company on each scheduled vesting date. The Performance-Based RSU will

otherwise be subject to the terms and conditions of the Equity Plan and the standard form of performance RSU agreement thereunder, except as specified herein.

4. EMPLOYEE BENEFITS. Executive will be eligible to participate in accordance with the terms of all Company employee benefit plans, policies and arrangements that are applicable to other executive officers of the Company, as such plans, policies and arrangements may exist from time to time.

5. TERM AND TERMINATION OF EMPLOYMENT. In the event Executive's employment with the Company terminates for any reason, Executive will be entitled to any (a) unpaid Base Salary accrued up to the effective date of termination; (b) unpaid, but earned and accrued annual incentive for any completed fiscal year as of his termination of employment; (c) pay for accrued but unused vacation; (d) benefits or compensation as provided under the terms of any employee benefit and compensation agreements or plans applicable to Executive; (e) unreimbursed business expenses required to be reimbursed to Executive; and (f) rights to indemnification Executive may have under the Company's Articles of Incorporation, Bylaws or separate indemnification agreement, as applicable. In addition, if the termination is by the Company without Cause or Executive resigns for Good Reason, Executive will be entitled to amounts and benefits specified in Section 6.

6. SEVERANCE BENEFITS.

(a) Involuntary Termination Other than for Cause or Voluntary Termination for Good Reason. If (i) Executive terminates his employment with the Company (or any parent or subsidiary of the Company) for "Good Reason" (as defined herein), or (ii) the Company (or any parent or subsidiary of the Company) terminates Executive's employment for other than "Cause" (as defined herein), and Executive signs and does not revoke a standard release of claims with the Company in a form substantially similar to that attached hereto as **EXHIBIT B** (the "***Release***"), then Executive shall receive the following severance benefits from the Company:

(i) ***Severance Payment.*** Executive shall receive a single lump-sum cash severance payment (less applicable withholding taxes) in an amount equal to twelve (12) months of Executive's then current annual base salary; provided, however, that if Executive and his immediate family have not, in the Board's determination, permanently relocated to the San Francisco Bay Area by August 1, 2017, then "twelve (12) months" in this Section 6(a)(i) shall be replaced with "three (3) months."

(ii) ***COBRA.*** Subject to Executive timely electing continuation coverage under Title X of the Consolidated Budget Reconciliation Act of 1985 ("COBRA"), Executive shall receive one-hundred percent (100%) Company-paid group health, dental and vision coverage (the "***Company-Paid Coverage***"). If such coverage included Executive's dependents immediately prior to the termination, such dependents shall also be covered at Company expense. Company-Paid Coverage shall continue until the earlier of (i) three (3) or twelve (12) months following the date of termination, based on the number of months of severance paid to Executive under Section 6(a)(i), or (ii) the date upon which Executive and his dependents become covered under another employer's group health, dental and vision plans that provide Executive and his dependents with comparable benefits and levels of coverage (such earlier date,

the "***COBRA Termination Date***"). Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot provide the Company-Paid Coverage without a substantial risk of violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof provide to Executive a taxable monthly payment in an amount equal to the monthly COBRA premium that Executive would be required to pay to continue Executive's (and Executive's dependents', as applicable) group health, dental and vision coverage in effect on the date of Executive's employment termination (which amount shall be based on the premium for the first month of COBRA coverage), which payments shall be made to Executive regardless of whether Executive elects COBRA continuation coverage and shall end on the COBRA Termination Date.

(iii) ***Equity Award Vesting.*** The vesting of the Time-Based RSU shall accelerate so that Executive is given credit for an additional twelve (12) months of vesting from the date his employment terminates and shall otherwise remain subject to the terms and conditions of the Equity Plan and the award agreement pursuant to which the Time-Based RSU was granted. Any Performance-Based RSUs that have been earned as of the date of Executive's termination of employment based on the provisions of Exhibit A shall become vested as of the date of termination of employment and shall otherwise remain subject to the terms and conditions of the Equity Plan and the award agreement pursuant to which the Performance-Based RSU was granted. Any Time-Based RSU and/or Performance-Based RSU that remains unvested following application of the foregoing acceleration provisions shall terminate as of the date of termination of employment and Executive shall have no further rights with respect thereto.

(b) Voluntary Resignation; Termination for Cause; Death or Disability; Notice. If Executive's employment with the Company terminates (i) voluntarily by Executive other than for Good Reason (ii) for Cause by the Company, or (iii) due to Executive's death or Disability (as defined hereunder), then Executive shall not be entitled to receive severance or other benefits except for those (if any) as may then be established under the Company's then existing severance and benefits plans and practices or pursuant to other written agreements with the Company. Executive agrees to provide the Company with ninety (90) days' written notice in the event of his voluntary termination of employment other than for Good Reason.

(c) Exclusive Remedy. The provisions of this Section 6 are intended to be and are Executive's exclusive rights to severance payments and benefits in the event of termination of service. The parties hereto agree that nothing herein is intended to result in duplication of severance or any other benefits.

(d) Code Section 409A.

(i) Any amount paid under this Agreement that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-l(b)(4) of the regulations issued under Section 409A of the Code (the "***Treasury Regulations***") shall not constitute Deferred Compensation Separation Benefits for purposes of Section 6(e)(ii) below, and consequently shall be paid to Executive promptly following termination as otherwise required by this Agreement.

(ii) Notwithstanding anything to the contrary in this Agreement, if Executive is a "specified employee" within the meaning of Section 409A of the Code, and the final

regulations and any guidance promulgated thereunder ("***Section 409A***") at the time of Executive's separation from service (as such term is defined in Section 409A), then the cash severance benefits payable to Executive under this Agreement along with any other severance payments or separation benefits that may be considered deferred compensation under Section 409A (together, the "***Deferred Compensation Separation Benefits***") that are otherwise due to Executive on or within the six (6) month period following Executive's separation from service shall accrue during such six (6) month period and shall become payable in a lump sum payment on the date six (6) months and one (1) day following the date of Executive's separation from service. All subsequent payments, if any, shall be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, if Executive dies following his separation from service but prior to the six (6) month anniversary of his date of separation from service, then any payments delayed in accordance with this Section shall be payable in a lump sum as soon as administratively practicable after the date of Executive's death and all other Deferred Compensation Separation Benefits shall be payable in accordance with the payment schedule applicable to each payment or benefit.

(iii) Any amount paid under this Agreement that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-l(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) shall not constitute Deferred Compensation Separation Benefits for purposes of Section 6(e)(ii) above. For purposes of this Section 6(e), "***Section 409A Limit***" will mean the lesser of two (2) times: (i) Executive's annualized compensation based upon the annual rate of pay paid to Executive during the Company's taxable year preceding the Company's taxable year of Executive's termination of employment as determined under Treasury Regulation 1.409A-l(b)(9)(iii)(A)(l); or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which Executive's employment is terminated.

(iv) It is the intent of this Agreement to comply with the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder shall be subject to the additional tax imposed under Section 409A, and any ambiguities herein shall be interpreted to so comply. The Company and Executive agree to work together in good faith to consider amendments to this Agreement and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition under Section 409A prior to actual payment to Executive.

(v) Notwithstanding any other provisions of this Agreement, Executive's receipt of severance payments and benefits under this Agreement is conditioned upon Executive signing and not revoking the Release and subject to the Release becoming effective within sixty (60) days following Executive's termination of employment (the "***Release Period***"). No severance will be paid or provided unless the Release becomes effective during the Release Period. Any severance payments to which Executive is entitled under this Agreement shall be paid by the Company to Executive in cash and in full arrears on the date on which the Release becomes effective or such later date as is required to comply with Section 409A; provided however, that if the Release Period straddles two calendar years, the severance payments to which Executive is entitled under this Agreement shall be paid on the latest of (A) the date on which the Release becomes effective, (B) the first business day of the calendar year following

the year in which Executive terminates employment with the Company or (C) such later date as is required to comply with Section 409A.

(vi) With respect to reimbursements or in-kind benefits provided to Executive hereunder (or otherwise) that are not exempt from Section 409A, the following rules shall apply: (A) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any one of Executive's taxable years shall not affect the expenses eligible for reimbursement, or in-kind benefit to be provided in any other taxable year, (B) in the case of any reimbursements of eligible expenses, reimbursement shall be made on or before the last day of Executive's taxable year following the taxable year in which the expense was incurred and (C) the right to reimbursement or in-kind benefits shall not be subject to liquidation or exchange for another benefit.

7. GOLDEN PARACHUTE EXCISE TAX BEST RESULTS. If any payment or benefit Executive would receive pursuant to this Agreement or otherwise ("***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "***Code***"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then such Payment shall be reduced to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount, after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater amount of the Payment notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting "parachute payments" is necessary so that the Payment equals the Reduced Amount, reduction shall occur in the following order: (A) cash payments shall be reduced first and in reverse chronological order such that the cash payment owed on the latest date following the occurrence of the event triggering such excise tax will be the first cash payment to be reduced; (B) accelerated vesting of stock awards shall be cancelled/reduced next and in the reverse order of the date of grant for such stock awards (i.e., the vesting of the most recently granted stock awards will be reduced first); and (C) employee benefits shall be reduced last and in reverse chronological order such that the benefit owed on the latest date following the occurrence of the event triggering such excise tax will be the first benefit to be reduced.

The Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder and perform the foregoing calculations. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder.

The accounting firm engaged to make the determinations hereunder shall provide its calculations, together with detailed supporting documentation, to the Company and Executive within fifteen (15) calendar days after the date on which right to a Payment is triggered (if requested at that time by the Company or Executive) or such other time as requested by the Company or Executive. If the accounting firm determines that no Excise Tax is payable with respect to a Payment, either before or after the application of the Reduced Amount, it shall furnish the Company and Executive with an opinion reasonably acceptable to Executive that no

Excise Tax will be imposed with respect to such Payment. Any good faith determinations of the accounting firm made hereunder shall be final, binding and conclusive upon the Company and Executive.

8. DEFINITION OF TERMS. The following terms referred to in this Agreement shall have the following meanings:

(a) Cause. "***Cause***" shall mean (i) Executive's commission of any act of fraud, embezzlement or dishonesty, (ii) Executive's conviction of, or plea of *nolo contendere* to, a felony under the laws of the United States or any state thereof, (iii) Executive's continued failure to perform lawfully assigned duties for 30 days after receiving written notification from the Company, (iv) Executive's unauthorized use or disclosure of confidential information or trade secrets of the Company, or (v) any other intentional misconduct by Executive that adversely affects the business of the Company in a material manner.

(b) Change in Control. "***Change in Control***" means the occurrence of any of the following, in one or a series of related transactions:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities; or

(ii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation; or

(iii) The consummation of the sale, lease or other disposition by the Company of all or substantially all the Company's assets.

(c) Disability. "***Disability***" means Executive (i) is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months, or (ii) is, by reason of any medically determinable physical or mental impairment which can be expected to last for a continuous period of not less than twelve (12) months, receiving income replacement benefits for a period of not less than three (3) months under an accident and health plan covering Company employees,

(d) Good Reason. "***Good Reason***" means that Executive resigns his employment within 120 days after any of the following is undertaken by the Company (or its acquirer) without Executive's express written consent: (i) a reduction in Executive's title, (ii) a material reduction of Executive's duties, authority or responsibilities; (ii) any material reduction of Executive's Base Salary and potential bonus (other than a proportionate reduction in Executive's Base Salary that affects all senior

management of the Company); or (iii) a material change in the geographic location at which Executive must perform services; provided that in no instance will the relocation of Executive to a facility or location of thirty-five (35) miles or less from Executive's then current office location be deemed material for purposes of this Agreement; provided, however, that Good Reason shall not exist unless Executive has provided written notice to the Board of Directors of the purported grounds for the Good Reason within 90 days of its initial existence and the Company has been provided at least 30 days to remedy the condition.

9. SUCCESSORS.

(a) The Company's Successors. Any successor to the Company (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or otherwise) to all or substantially all of the Company's business and/or assets shall assume the obligations under this Agreement and agree expressly to perform the obligations under this Agreement in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under this Agreement, the term "Company" shall include any successor to the Company's business and/or assets which executes and delivers the assumption agreement described in this Section 9(a) or which becomes bound by the terms of this Agreement by operation of law.

(b) Executive's Successors. The terms of this Agreement and all rights of Executive hereunder shall inure to the benefit of, and be enforceable by, Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees.

10. NOTICE. All notices and other communications required or permitted hereunder shall be in writing, shall be effective when given, and shall in any event be deemed to be given upon receipt or, if earlier, (a) five (5) days after deposit with the U.S. Postal Service or other applicable postal service, if delivered by first class mail, postage prepaid, (b) upon delivery, if delivered by hand, (c) one (1) business day after the business day of deposit with Federal Express or similar overnight courier, freight prepaid or (d) one (1) business day after the business day of facsimile transmission, if delivered by facsimile transmission with copy by first class mail, postage prepaid, and shall be addressed (i) if to Executive, at his or her last known residential address and (ii) if to the Company, at the address of its principal corporate offices (attention: Secretary), or in any such case at such other address as a party may designate by ten (10) days' advance written notice to the other party pursuant to the provisions above.

11. NOTICE OF TERMINATION. Any termination by the Company for Cause or by Executive for Good Reason or as a result of a voluntary resignation shall be communicated by a notice of termination to the other party hereto given in accordance with Section 10 of this Agreement. Such notice shall indicate the specific termination provision in this Agreement relied upon, shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination under the provision so indicated, and shall specify the termination date (which shall be not more than thirty (30) days after the giving of such notice). The failure by Executive to include in the notice any fact or circumstance which contributes to a showing of Good Reason shall not waive any right of Executive hereunder or preclude Executive from asserting such fact or circumstance in enforcing his or her rights hereunder.

12. INDEMNIFICATION. Subject to applicable law, Executive will be provided indemnification to the maximum extent permitted by the Company's Articles of Incorporation or Bylaws, including, if applicable, any directors and officers insurance policies, with such indemnification to be on terms determined by the Board or any of its committees, but on terms no less favorable than provided to any other Company executive officer or director and subject to the terms of any separate written indemnification agreement.

13. CONFIDENTIAL INFORMATION. Executive will execute simultaneously herewith the Company's standard form of Proprietary Information and Inventions Agreement.

14. MISCELLANEOUS PROVISIONS.

(a) No Duty to Mitigate. Executive shall not be required to mitigate the amount of any payment contemplated by this Agreement, nor shall any such payment be reduced by any earnings that Executive may receive from any other source.

(b) Waiver. No provision of this Agreement shall be modified, waived or discharged unless the modification, waiver or discharge is agreed to in writing and signed by Executive and by an authorized officer of the Company (other than Executive). No waiver by either party of any breach of, or of compliance with, any condition or provision of this Agreement by the other party shall be considered a waiver of any other condition or provision or of the same condition or provision at another time.

(c) Headings. All captions and section headings used in this Agreement are for convenient reference only and do not form a part of this Agreement.

(d) Entire Agreement. This Agreement, the Proprietary Information and Inventions Agreement and Executive's written equity compensation agreements with the Company constitutes the entire agreement of the parties hereto and supersedes in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied), of the parties with respect to the subject matter hereof.

(e) Choice of Law. The validity, interpretation, construction and performance of this Agreement shall be governed by the laws of the State of California (with the exception of its conflict of laws provisions).

(f) Severability. The invalidity or unenforceability of any provision or provisions of this Agreement shall not affect the validity or enforceability of any other provision hereof, which shall remain in full force and effect.

(g) Withholding. All payments made pursuant to this Agreement will be subject to withholding of applicable income and employment taxes.

(h) Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the last date signed below.

COMPANY

eHEALTH, INC.

By: [signature]

Title: CEO

Date: 7/11/16

EXECUTIVE

By: _____

Date: _____

IN WITNESS WHEREOF, each of the parties has executed this Agreement, in the case of the Company by its duly authorized officer, as of the last date signed below.

COMPANY

EHEALTH, INC.

By:_____

Title:_____

Date:_____

EXECUTIVE

By:_____

Date: July 11, 2016

EXHIBIT A

PERFORMANCE-BASED OPTIONS AND PERFORMANCE-BASED RSUS

For purposes of the Performance-Based RSUs, the "***Performance Period***" shall be the period commencing on the date of grant of the Performance Award and ending on the fourth anniversary of the date of grant. Defined terms used in this Exhibit A and not otherwise defined herein shall have the meaning set forth in the Company's 2014 Equity Incentive Plan.

1. One-quarter of the Performance RSUs will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $16.00 per share but is less than $20.00 per share. Thereafter, Executive will become vested in the earned Performance RSUs on the first anniversary of the date on which the Performance RSUs were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

2. One-quarter of the Performance RSUs will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $20.00 per share but is less than $24.00 per share. Thereafter, Executive will become vested in the earned Performance RSUs on the first anniversary of the date on which the Performance RSUs were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

3. One-quarter of the Performance RSUs will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $24.00 per share but is less than $28.00 per share. Thereafter, Executive will become vested in the earned Performance RSUs on the first anniversary of the date on which the Performance RSUs were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

4. One-quarter of the Performance RSUs will be earned if, at any time during the Performance Period, the average of the closing price per share of the Company's common stock, as quoted on NASDAQ, over a 30 consecutive trading-day period equals or exceeds $28.00 per share. Thereafter, Executive will become vested in the earned Performance RSUs on the first anniversary of the date on which the Performance RSUs were earned, subject to Executive remaining in the continuous Service of the Company through such vesting date.

The following additional provisions shall apply to the Performance RSUs:

- Performance RSUs must be earned during the Performance Period, but may become vested after the Performance Period. Performance RSUs not earned during the Performance Period will be forfeited.

- If a higher price target goal is met prior to the achievement of a lower price target goal or goals, both the Performance RSUs associated with the higher price target goal and the Performance RSUs associated with the lower price target goal(s) will be earned. For example, if the goal in paragraph 2 above is met prior to the goal in paragraph 1 having been met, 50% of the Performance RSUs shall be earned.

- If during the Performance Period the Company undergoes a Change in Control in which the per-share consideration received by Company stockholders (the "***Per-Share Consideration***") equals or exceeds a price target set forth above (each, a "***Price Hurdle***"), any previously unearned Performance RSUs associated with such Price Hurdle will become earned effective as of the Change in Control as if the Price Hurdle was achieved, without regard to the 30-day averaging condition. Executive will then become vested in those earned Performance RSUs on the one-year anniversary of the Change in Control. Any Performance RSUs that have not become earned prior to or upon the Change in Control will be forfeited.

EXHIBIT B

EHEALTH, INC.
RELEASE OF CLAIMS

THIS RELEASE OF CLAIMS ("***Agreement***") is made by and between eHealth, Inc. (the "***Company***"), and _____ ("***Executive***").

WHEREAS, Executive has agreed to enter into a release of claims in favor of the Company upon certain events specified in the Employment Agreement by and between Company and Executive (the "***Employment Agreement***").

NOW THEREFORE, in consideration of the mutual promises made herein, the Parties hereby agree as follows:

1. Termination. Executive's employment from the Company terminated on _____.

2. Confidential Information. Executive shall continue to maintain the confidentiality of all confidential and proprietary information of the Company and shall continue to comply with the terms and conditions of the Proprietary Information and Inventions Agreement between Executive and the Company. Executive shall return all the Company property and confidential and proprietary information in his possession to the Company on the Effective Date of this Agreement.

3. Payment of Salary. Executive acknowledges and represents that the Company has paid all salary, wages, bonuses, accrued vacation, commissions and any and all other benefits due to Executive.

4. Release of Claims. Except as set forth in the last paragraph of this Section 4, Executive agrees that the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company. Executive, on behalf of himself, and his respective heirs, family members, executors and assigns, hereby fully and forever releases the Company and its past, present and future officers, agents, directors, employees, investors, shareholders, administrators, affiliates, divisions, subsidiaries, parents, predecessor and successor corporations, and assigns, from, and agrees not to sue or otherwise institute or cause to be instituted any legal or administrative proceedings concerning any claim, duty, obligation or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that he may possess arising from any omissions, acts or facts that have occurred up until and including the Effective Date of this Agreement including, without limitation,

(a) any and all claims relating to or arising from Executive's employment relationship with the Company and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of shares of stock of the Company, including, without limitation,

any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state corporate law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; breach of contract, both express and implied; breach of a covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; and conversion;

(d) any and all claims for violation of any federal, state or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, the Americans with Disabilities Act of 1990, the Fair Labor Standards Act, Executive Retirement Income Security Act of 1974, The Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, and Labor Code section 201, *et seq.* and section 970, *et seq.* and all amendments to each such Act as well as the regulations issued thereunder;

(e) any and all claims for violation of the federal, or any state, constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination; and

(g) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not extend to any severance obligations due Executive under the Employment Agreement or to any vested rights to benefits Executive has under any employee benefit plans of the Company. Nothing in this Agreement waives Executive's rights to indemnification or any payments under any fiduciary or directors & officers insurance policy, if any, provided by any act or agreement of the Company, state or federal law or policy of insurance.

5. Acknowledgment of Waiver of Claims under ADEA. Executive acknowledges that he is waiving and releasing any rights he may have under the Age Discrimination in Employment Act of 1967 ("***ADEA***") and that this waiver and release is knowing and voluntary. Executive and the Company agree that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement, Executive acknowledges that the consideration given for this waiver and release Agreement is in addition to anything of value to which Executive was already entitled. Executive further acknowledges that he has been advised by this writing that (a) he should consult with an attorney prior to executing this Agreement; (b) he has at least twenty-one (21) days within which to consider this Agreement; (c) he has seven (7) days following the execution of this Agreement by the parties to revoke the Agreement; (d) this Agreement shall not be effective until the revocation period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it

impose any condition precedent, penalties or costs for doing so, unless specifically authorized by federal law. Any revocation should be in writing and delivered to the Vice-President of Human Resources at the Company by close of business on the seventh day from the date that Executive signs this Agreement.

6. Civil Code Section 1542. Executive represents that he is not aware of any claims against the Company other than the claims that are released by this Agreement. Executive acknowledges that he has been advised by legal counsel and is familiar with the provisions of California Civil Code 1542, below, which provides as follows:

> **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.**

Executive, being aware of said code section, agrees to expressly waive any rights he may have thereunder, as well as under any statute or common law principles of similar effect.

7. No Pending or Future Lawsuits. Executive represents that he has no lawsuits, claims, or actions pending in his name, or on behalf of any other person or entity, against the Company or any other person or entity referred to herein. Executive also represents that he does not intend to bring any claims on his own behalf or on behalf of any other person or entity against the Company or any other person or entity referred to herein.

8. Application for Employment. Executive understands and agrees that, as a condition of this Agreement, he shall not be entitled to any employment with the Company, its subsidiaries, or any successor, and he hereby waives any right, or alleged right, of employment or re-employment with the Company.

9. No Cooperation. Executive agrees that he will not counsel or assist any attorneys or their clients in the presentation or prosecution of any disputes, differences, grievances, claims, charges, or complaints by any third party against the Company and/or any officer, director, employee, agent, representative, shareholder or attorney of the Company, unless under a subpoena or other court order to do so.

10. No Admission of Liability. No action taken by the Company, either previously or in connection with this Agreement shall be deemed or construed to be (a) an admission of the truth or falsity of any claims heretofore made or (b) an acknowledgment or admission by the Company of any fault or liability whatsoever to Executive or to any third party.

11. Costs. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with this Agreement.

12. Authority. Executive represents and warrants that he has the capacity to act on his own behalf and on behalf of all who might claim through him to bind them to the terms and conditions of this Agreement.

13. No Representations. Executive represents that he has had the opportunity to consult with an attorney, and has carefully read and understands the scope and effect of the provisions of this Agreement. Neither party has relied upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

14. Severability. In the event that any provision hereof becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, this Agreement shall continue in full force and effect without said provision.

15. Entire Agreement. This Agreement, along with the Employment Agreement, the Proprietary Information and Inventions Agreement, and Executive's written equity compensation agreements with the Company, represents the entire agreement and understanding between the Company and Executive concerning Executive's separation from the Company.

16. No Oral Modification. This Agreement may only be amended in writing signed by Executive and the Chairman of the Compensation Committee of the Board of Directors of the Company.

17. Governing Law. This Agreement shall be governed by the internal substantive laws, but not the choice of law rules, of the State of California.

18. Effective Date. This Agreement is effective eight (8) days after it has been signed by both Parties.

19. Counterparts. This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the undersigned.

20. Voluntary Execution of Agreement. This Agreement is executed voluntarily and without any duress or undue influence on the part or behalf of the Parties hereto, with the full intent of releasing all claims. The Parties acknowledge that:

(a) They have read this Agreement;

(b) They have had the opportunity of being represented in the preparation, negotiation, and execution of this Agreement by legal counsel of their own choice or that they have voluntarily declined to seek such counsel;

(c) They understand the terms and consequences of this Agreement and of the releases it contains;

(d) They are fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EHEALTH, INC.

Dated: By: _____
[name, title]

Dated: _____
[name]

EHEALTH, INC.
2016 CHIEF EXECUTIVE OFFICER BONUS PLAN
(Effective July 1, 2016)

1. **Plan Objectives**.

- Reward the Chief Executive Officer (the "***CEO***") of eHealth, Inc. (the "***Company***") for achieving stated business objectives for the remainder of fiscal 2016
- Build long-term stockholder value
- Provide competitive compensation for the CEO

2. **Administration**. The Compensation Committee of the Company will administer the 2016 Chief Executive Officer Bonus Plan (the "***Plan***"). The Compensation Committee reserves the right at any time during the fiscal year to modify the Plan in total or in part. The Plan may be amended, suspended or terminated at any time at the sole and absolute discretion of the Compensation Committee.

3. **Eligibility**. The CEO is the sole participant in the Plan. The CEO must be employed at the time of payment to earn any payment under the Plan.

4. **Term**. Commencing on July 1, 2016 and ending on December 31, 2016.

5. **Target Incentive Payout**. Attached, as Exhibit A, is a schedule of the Annual Salary, Target and Maximum Incentive Percentage and aggregate incentive for the CEO under the Plan. The aggregate "***Target Incentive Award***" for the CEO is equal to the CEO's Annual Salary (pro-rated for the portion of the year he was employed as the CEO) multiplied by the Target Incentive Percentage.

6. **Incentive Determination**. One hundred percent (100%) of the CEO's potential Target Incentive Award is based upon achievement of goals (each, a "***Goal***"), as set forth in the resolutions of and as approved by the Compensation Committee and subject to adjustment as set forth elsewhere in the Plan. The Compensation Committee, in its sole discretion, will determine the extent to which the Goals have been achieved. The Compensation Committee may (a) increase, eliminate or reduce the actual award that otherwise would be payable based on the achievement of Goals, and (b) determine whether or not the CEO will receive an actual award in the event the CEO incurs a termination of employment prior to the date the actual award is to be paid pursuant Section 7.

7. **Payment**. Payment under the Plan will be made following the end of the 2016 fiscal year and after the Compensation Committee has determined to what extent a bonus has been earned. Any earned bonus will be paid no later than March 15, 2017. All payments under the Plan are intended to fall within the "short-term deferral" exemption from Section 409A of the Internal Revenue Code of 1986, as amended (the "***Code***"), and under Section 1.409A-1(b)(4) of the Treasury Regulations or comply with any requirements necessary to avoid the imposition of additional tax under Code Section 409A(a)(1)(B), and the Plan will be interpreted consistent with that intent. All Plan payments will be made net of applicable tax withholding.

8. **Employment at Will**. The employment of the CEO at the Company is terminable at any time by either party, with or without cause being shown or advance notice by either party. The Plan will not be construed to create a contract of employment for a specified period of time between the Company and any employee.

9. **Entire Agreement**. The Plan is the entire agreement between the Company and the CEO regarding the subject matter of the Plan and supersedes all prior bonus compensation or bonus incentive plans or any written or verbal representations regarding the subject matter of the Plan.

******

EXHIBIT A

Salary, Incentive and Incentive Percentage for the CEO

OFFICERS	SALARY*	TITLE	INCENTIVE %		INCENTIVE $	
			TARGET	MAX	TARGET	MAX
Scott Flanders	$ 600,000	CEO	100%	150%	$ 600,000	$900,000

* Base salary to be prorated for portion of year the CEO was employed by the Company (i.e., as of May 31, 2016)

EHEALTH, INC. 2014 EQUITY INCENTIVE PLAN
NOTICE OF STOCK OPTION GRANT

You have been granted the following option to purchase shares of the Common Stock of eHealth, Inc. (the "***Company***"):

Name of Optionee: [*Insert Name*]

Total Number of Shares: [*Insert Number*]

Type of Option: [*Insert Type of Option*]

Exercise Price per Share: [*Insert Exercise Price*]

Date of Grant: [*Insert Date of Grant*]

Vesting Schedule:	This option will vest to the extent that the Performance Goals (as defined below) are achieved and you remain in continuous Service throught the applicable vesting date(s).
Expiration Date:	[*Insert Date*]. This option expires earlier if your Service terminates earlier, as described in the Stock Option Agreement.

Performance-Based Vesting Metrics and Determination of the Number of Shares Eligible for Time-Based Vesting

Performance-Based Vesting Requirements

Shares covered by this option award will become eligible to vest based upon achievement of and in accordance with the following performance criteria (the "***Performance Goals***"): [*Insert performance-based vesting criteria*]

Service-Based Vesting Requirements

In addition to the performance-based vesting requirements set forth above, the Shares covered by this option award also are subject to the following service-based vesting requirements. The number of Shares subject to this option award that become eligible to vest based on achievement of the above Performance Goals, as determined by the Administrator in its sole discretion, will be referred to as "***Eligible Shares***." Any Eligible Shares will be scheduled to vest [*Insert service-based vesting criteria*]

[Vesting in Connection with Certain Events

If, during the Performance Period, a Change in Control occurs, then [*Insert vesting treatment and any other applicable vesting terms*]**]**

You and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2014 Equity Incentive Plan (the "***Plan***") and the Stock Option Agreement, both of which are attached to this document, and any other agreements referenced herein, all of which are made a part of this document. Capitalized terms used herein that are not defined herein will have the same meaning as set forth in the Plan.

You further agree that the Company may deliver by email all documents relating to the Plan or this option (including, without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

OPTIONEE: EHEALTH, INC.

By:__

[*Insert Name*] Title: __

EHEALTH, INC. 2014 EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT

Tax Treatment	This option is intended to be an incentive stock option under Section 422 of the Internal Revenue

Code or a nonstatutory stock option, as provided in the Notice of Stock Option Grant.

Vesting

This option becomes exercisable in installments, as shown in the Notice of Stock Option Grant. This option will in no event become exercisable for additional shares after your Service has terminated for any reason.

Term

This option expires in any event at the close of business at Company headquarters on the day before the 7th anniversary of the Date of Grant, as shown in the Notice of Stock Option Grant. (It will expire earlier if your Service terminates, as described below.)

Regular Termination

If your Service terminates for any reason except death or "Total and Permanent Disability" (as defined in the Plan), then this option will expire at the close of business at Company headquarters on the date three months after your termination date. The Company determines when your Service terminates for this purpose.

Death

If you die before your Service terminates, then this option will expire at the close of business at Company headquarters on the date 12 months after the date of death.

Disability

If your Service terminates because of your Total and Permanent Disability, then this option will expire at the close of business at Company headquarters on the date 12 months after your termination date.

Leaves of Absence and Part-Time Work

For purposes of this option, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work.

To the extent this option is an incentive stock option, no such leave may exceed three (3) months (the "Maximum Leave Period"), unless your reemployment upon expiration of such leave is guaranteed by statute or contract. If your reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the day after the end of the Maximum Leave Period any part of this option intended to be an incentive stock option will cease to be treated as an incentive stock option and will be treated for tax purposes as a nonstatutory stock option.

If you go on a leave of absence, then the vesting schedule specified in the Notice of Stock Option Grant may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave. If you commence working on a part-time basis, then the vesting schedule specified in the Notice of Stock Option Grant may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.

Restrictions on Exercise

The Company will not permit you to exercise this option if the issuance of shares at that time would violate any applicable law or regulation, as determined by the Company.

Notice of Exercise

When you wish to exercise this option, you must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Your notice must specify how many shares you wish to purchase. Your notice must also specify how your shares should be registered. The notice will be effective when the Company receives it.

If someone else wants to exercise this option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment

When you submit your notice of exercise, you must include payment of the option exercise price for the shares that you are purchasing. To the extent permitted by applicable law, payment may be made in one (or a combination of two or more) of the following forms:

- Your personal check, a cashier's check or a money order.
-

Certificates for shares of Company stock that you own, along with any forms needed to effect a transfer of those shares to the Company. However, the Company's consent is required for this alternative. The value of the shares, determined as of the effective date of the option exercise, will be applied to the option exercise price. Instead of surrendering shares of Company stock, you may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the option shares issued to you.

- Irrevocable directions to a securities broker approved by the Company to sell all or part of your option shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the option exercise price and any withholding taxes. The balance of the sale proceeds, if any, will be delivered to you.

Withholding Taxes and Stock Withholding

You will not be allowed to exercise this option unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the option exercise. With the Company's consent, these arrangements may include withholding shares of Company stock that otherwise would be issued to you when you exercise this option with a Fair Market Value equal to the minimum amount statutorily required to be withheld.

Restrictions on Resale

You agree not to sell any option shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

Transfer of Option

Prior to your death, only you may exercise this option. You cannot transfer or assign this option. For instance, you may not sell this option or use it as security for a loan. If you attempt to do any of these things, this option will immediately become invalid. You may, however, dispose of this option in your will or a beneficiary designation.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your former spouse, nor is the Company obligated to recognize your former spouse's interest in your option in any other way.

Retention Rights

Your option or this Agreement does not give you the right to be retained by the Company or a subsidiary of the Company in any capacity. The Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

Stockholder Rights

You, or your estate or heirs, have no rights as a stockholder of the Company until you have exercised this option by giving the required notice to the Company and paying the exercise price. No adjustments are made for dividends or other rights if the applicable record date occurs before you exercise this option, except as described in the Plan.

Adjustments

In the event of a stock split, a stock dividend or a similar change in Company stock, the number of shares covered by this option and the exercise price per share will be adjusted pursuant to the Plan.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of California (without regard to their choice-of-law provisions).

The Plan and Other Agreements

The text of the Plan is incorporated in this Agreement by reference.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding this option. Any prior agreements, commitments or negotiations concerning this option are superseded. This Agreement may be amended only by another written agreement between the parties.

BY SIGNING THE COVER SHEET OF THIS AGREEMENT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

EHEALTH, INC. 2014 EQUITY INCENTIVE PLAN

NOTICE OF STOCK UNIT GRANT

You have been granted the following Stock Unit award covering shares of the Common Stock of eHealth, Inc. (the "***Company***"). Each Stock Unit is equivalent to one share of Common Stock of the Company (a "***Share***") for purposes of determining the number of Shares subject to this Stock Unit award. None of the Shares underlying the Stock Units will be issued (nor will you have the rights of a stockholder with respect to the underlying Shares) until the vesting conditions described below are satisfied. Additional terms of this grant are as follows:

Name of Participant: [*Insert Name*]

Total Number of Shares: [*Insert Number*]

Date of Grant: [*Insert Date of Grant*]

Vesting Schedule: Shares covered by this Stock Unit award will vest to the extent that the Performance Goals (as defined below) are achieved and you remain in continuous Service through the applicable vesting date(s).

Performance-Based Vesting Metrics and Determination of the Number of Shares Eligible for Time-Based Vesting

Performance-Based Vesting Requirements

Shares covered by this Stock Unit award will become eligible to vest based upon achievement of and in accordance with the following performance criteria (the "***Performance Goals***"): [*Insert Performance Vesting Criteria*]

Service-Based Vesting Requirements

In addition to the performance-based vesting requirements set forth above, the Shares covered by this Stock Unit award also are subject to the following service-based vesting requirements. The number of Shares subject to this Stock Unit award that become eligible to vest based on achievement of the above Performance Goals, as determined by the Administrator in its sole discretion, will be referred to as "***Eligible Shares***." Any Eligible Shares will be scheduled to vest [*Insert Service-based Vesting Criteria*]

[Vesting in Connection with Certain Events

If, during the Performance Period, a Change in Control occurs, then [*Insert vesting treatment and any other applicable vesting terms*]**]**

[In the event that you have executed a valid deferral election with respect to this Stock Unit award, any Eligible Shares that vest under this Stock Unit award will be settled in accordance with such deferral election and the applicable payment timing requirements of the Stock Unit Agreement attached hereto.]

You and the Company agree that this Stock Unit award is granted under, and governed by the terms and conditions of, the 2014 Equity Incentive Plan (the "***Plan***") and the Stock Unit Agreement, both of which are attached to this document, and any other agreements referenced herein, all of which are made a part of this document. Capitalized terms used herein that are not defined herein will have the same meaning as set forth in the Plan.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

PARTICIPANT: EHEALTH, INC.

By: __

[*Insert Name*] Title: _____

eHealth, Inc. 2014 Equity Incentive Plan

Stock Unit Agreement

Grant

The Company hereby grants you an award of restricted Stock Units ("RSUs"), as set forth in the Notice of Stock Unit Grant (the "Notice of Grant") and subject to the terms and conditions in this Agreement and the Company's 2014 Equity Incentive Plan (the "Plan"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Unit Agreement.

Company's Obligation

Each RSU represents the right to receive a share of Stock (a "Share") on the vesting date. Unless and until the RSUs vest, you will have no right to receive Shares under such RSUs. Prior to actual distribution of Shares pursuant to any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Settlement of any vested RSUs shall be made in whole Shares only.

Vesting

Subject to the next paragraph (Forfeiture upon Termination of Service), the RSUs awarded by this Agreement will vest according to the vesting schedule specified in the Notice of Grant. If you commence working on a part-time basis, then the vesting schedule specified in the Notice of Grant may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.

Forfeiture upon Termination of Service

Notwithstanding any contrary provision of this Agreement or the Notice of Grant, if you terminate Service for any or no reason prior to vesting, the unvested RSUs awarded by this Agreement will thereupon be forfeited at no cost to the Company.

Leaves of Absence

For purposes of this RSU, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work. If you go on a leave of absence, then the vesting schedule specified in the Notice of Grant may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave.

Payment after Vesting

Any RSUs that vest hereunder will be paid to you (or in the event of your death, to your estate) in Shares. Subject to any payment delay required under the following paragraph, such vested RSUs shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will you be permitted, directly or indirectly, to specify the taxable year of payment of any RSUs payable under this Agreement.

Notwithstanding anything in the Plan or this Agreement or any other agreement (whether entered into before, on or after Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the RSUs is accelerated in connection with your termination of Service (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to your death, and if (x) you are a "specified employee" within the meaning of Section 409A at the time of such termination of Service and (y) the payment of such accelerated RSUs will result in the imposition of additional tax under Section 409A if paid to you on or within the six (6) month period following your termination of Service, then the payment of such accelerated RSUs will not be made until the date six (6) months and one (1) day following the date of your termination of Service, unless you die following your termination of Service, in which case, the RSUs will be paid in Shares to your estate as soon as practicable following your death.

Section 409A

It is the intent of this Agreement that it and all payments and benefits hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the RSUs provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

Tax Withholding

Notwithstanding any contrary provision of this Agreement, no Shares shall be distributed to you unless and until you have made satisfactory arrangements with respect to the payment of income, employment and any other taxes which must be withheld with respect to such Shares. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit you to satisfy such tax withholding obligation, in whole or in part by one or more of the following: (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a value equal to the minimum amount statutorily required to be withheld, (c) delivering to the Company already vested and owned Shares having a value equal to the amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to you through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. If you fail to make satisfactory arrangements for the payment of any required tax withholding obligations with respect to Shares that are vesting, the Administrator, in its sole discretion, may require you to permanently forfeit such Shares and the Shares will be returned to the Plan at no cost.

Tax Consequences

You acknowledge that you have reviewed with your own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, you acknowledge and agree that you are relying solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

Arbitration

You and the Company agree that any and all disputes arising out of the terms of the Notice of Grant, the Plan or this Agreement or their interpretation shall be subject to binding arbitration in Santa Clara County, California before the American Arbitration Association under its California Employment Dispute Resolution Rules, or by a judge to be mutually agreed upon. You and the Company agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. You and the Company agree that the prevailing party in any arbitration shall be awarded reasonable attorney’s fees and costs.

Payments after Death

Any distribution or delivery to be made to you under this Agreement will, if you are then deceased, be made to the administrator or executor of your estate. Any such administrator or executor must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

Stockholder Rights

Neither you nor any person claiming under or through you will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to you or your broker.

No Effect on Employment

Your employment with the Company and its Subsidiaries is on an at-will basis only. Accordingly, the terms of your employment with the Company and its Subsidiaries will be determined from time to time by the Company or the Subsidiary employing you (as the case may be), and the Company or the Subsidiary will have the right, which is hereby expressly reserved, to terminate or change the terms of your employment at any time for any reason whatsoever, with or without good cause or notice.

Notices

Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company at 440 East Middlefield Road, Mountain View, California 94043, Attn: Stock Administration, or at such other address as the Company may hereafter designate in writing or electronically.

Grant is Not Transferable

Except to the limited extent provided in paragraph, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void. You may, however, dispose of this award in your will or through a beneficiary designation.

Binding Agreement

Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.

Additional Conditions to Issuance of Stock

If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to you (or your estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.

Resale Restrictions

You agree not to sell any RSU Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

Applicable Law

This Agreement will be interpreted and enforced under the laws of the State of California, without regard to its choice-of-law provisions.

The Plan and Other Agreements

The text of the Plan is incorporated in this Agreement by reference. This Agreement and the Notice of Grant are subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement or the Notice of Grant and one or more provisions of the Plan, the provisions of the Plan will govern.

This Agreement, the Notice of Grant and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this grant of RSUs.

Administrator Authority

The Administrator will have the power to interpret the Plan, the Notice of Grant and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon you, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Notice of Grant or this Agreement.

BY SIGNING THE NOTICE OF GRANT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

eHEALTH, INC. 2014 EQUITY INCENTIVE PLAN
NOTICE OF STOCK OPTION GRANT

You have been granted the following option to purchase shares of the Common Stock of eHealth, Inc. (the "***Company***"):

Name of Optionee:	Scott N. Flanders
Total Number of Shares:	150,000 Shares
Type of Option:	Nonstatutory Stock Option
Exercise Price per Share:	$13.58
Date of Grant:	June 3, 2016
Vesting Schedule:	This option will vest to the extent that the Performance Goals (as defined below) are achieved and you remain in continuous Service through the applicable vesting date(s).
Expiration Date:	June 3, 2023. This option expires earlier if your Service terminates earlier, as described in the Stock Option Agreement.

Performance-Based Vesting Metrics and Determination of the Number of Shares Eligible for Time-Based Vesting

Performance-Based Vesting Requirements

Shares covered by this option award will become eligible to vest based upon achievement of and in accordance with the following performance criteria (the "***Performance Goals***"):

1. Twenty five percent (25%) of the Shares subject to this option award will become eligible to vest if, during the four (4) year period following the Date of Grant (the "***Performance Period***"), the average of the closing price per Share, as quoted on NASDAQ, over a consecutive, thirty (30) trading day period (the "***Average Closing Price***") first equals or exceeds $20.00 per Share but is less than $24.00 per Share (the "***First Goal***").

2. Twenty five percent (25%) of the Shares subject to this option award will become eligible to vest if, during the Performance Period, the Average Closing Price first equals or exceeds $24.00 per Share but is less than $28.00 per Share (the "***Second Goal***").

3. Twenty five percent (25%) of the Shares subject to this option award will become eligible to vest if during the Performance Period, the Average Closing Price first equals or exceeds $28.00 per Share but is less than $36.00 per Share (the "***Third Goal***").

4. Twenty five percent (25%) of the Shares subject to this option award will become eligible to vest if during the Performance Period, the Average Closing Price first equals or exceeds $36.00 per Share (the "***Fourth Goal***").

For the avoidance of doubt, if any of the Second Goal, Third Goal, or Fourth Goal is achieved prior to the achievement of any of the Performance Goals with a lower Average Closing Price, then any such Performance Goals with the lower Average Closing Price also concurrently will be deemed to have

been met. For example, if the Second Goal is achieved and, prior to the date of such achievement, the First Goal had not yet been achieved, then 50% of the Shares subject to this option award will become eligible to vest to reflect the achievement of both the First Goal and Second Goal.

Service-Based Vesting Requirements

In addition to the performance-based vesting requirements set forth above, the Shares covered by this option award also are subject to the following service-based vesting requirements. The number of Shares subject to this option award that become eligible to vest based on achievement of the above Performance Goals, as determined by the Administrator in its sole discretion, will be referred to as "***Eligible Shares***." Any Eligible Shares will be scheduled to vest on the one (1) year anniversary of the date the applicable Performance Goal is achieved, provided you remain in continuous Service through the applicable vesting date.

Example: Assume no Shares previously have become eligible to vest and during the consecutive, thirty (30) trading day period beginning April 3, 2017, the Average Closing Price was $22 per share. The Administrator determines that 25% of the Shares subject to this option award become Eligible Shares for satisfying the First Goal as of May 12, 2017. Assuming you remain in continuous Service through May 12, 2018, the Eligible Shares will vest on that date.

Vesting in Connection with Certain Events

If, during the Performance Period, a Change in Control occurs, then the Performance Period will be shortened such that the Performance Period will end as of the Change in Control and, to the extent that any of the Performance Goals are achieved based on the value of the per-Share consideration received by the Company's stockholders in connection with the Change in Control (the "***Per-Share Consideration***") (and, for the avoidance of doubt, in lieu of and without regard to any thirty (30) trading day closing price average otherwise required with respect to determining the achievement of Performance Goals not in connection with a Change in Control), such Performance Goal will be deemed achieved under this option award, as determined by the Administrator in its sole discretion, and the applicable Shares subject to this option award as a result of such Performance Goal achievement will become Eligible Shares. For the avoidance of doubt, if any of the Second Goal, Third Goal, or Fourth Goal is achieved both (x) in connection with the Change in Control as specified in this paragraph and (y) prior to the achievement of any Performance Goal(s) with a lower Average Closing Price, then any such Performance Goal(s) with the lower Average Closing Price also concurrently will be deemed to have been met in connection with the Change in Control. Any Shares subject to this option award that have not become Eligible Shares prior to or upon the Change in Control will be forfeited automatically. Any Eligible Shares resulting from the Change in Control transaction will be scheduled to vest on the one (1) year anniversary of the Change in Control, provided you remain in continuous Service through that vesting date.

This option award may be subject to earlier vesting pursuant to the terms of Sections 6(a)(iii) and 6(b) of the Employment Agreement dated May 31, 2016, as entered into by and between you and the Company, which agreement is incorporated by reference herein.

You and the Company agree that this option is granted under, and governed by the terms and conditions of, the 2014 Equity Incentive Plan (the "***Plan***") and the Stock Option Agreement, both of which are attached to this document, and any other agreements referenced herein, all of which are made a part of this document. Capitalized terms used herein that are not defined herein will have the same meaning as set forth in the Plan.

You further agree that the Company may deliver by email all documents relating to the Plan or this option (including, without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

OPTIONEE:

Scott N. Flanders

EHEALTH, INC.

By: Michael D. Goldberg (Aug 1, 2016)

Title: _____

eHEALTH, INC. 2014 EQUITY INCENTIVE PLAN
STOCK OPTION AGREEMENT

Tax Treatment	This option is intended to be an incentive stock option under Section 422 of the Internal Revenue Code or a nonstatutory stock option, as provided in the Notice of Stock Option Grant.
Vesting	This option becomes exercisable in installments, as shown in the Notice of Stock Option Grant. Except as otherwise specified in any duly authorized written agreement between you and the Company, this option will in no event become exercisable for additional shares after your Service has terminated for any reason.
Term	This option expires in any event at the close of business at Company headquarters on the day before the 7th anniversary of the Date of Grant, as shown in the Notice of Stock Option Grant. (It will expire earlier if your Service terminates, as described below.)
Regular Termination	If your Service terminates for any reason except death or "Total and Permanent Disability" (as defined in the Plan), then this option will expire at the close of business at Company headquarters on the date three months after your termination date. The Company determines when your Service terminates for this purpose.
Death	If you die before your Service terminates, then this option will expire at the close of business at Company headquarters on the date 12 months after the date of death.
Disability	If your Service terminates because of your Total and Permanent Disability, then this option will expire at the close of business at Company headquarters on the date 12 months after your termination date.
Leaves of Absence and Part-Time Work	For purposes of this option, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work. To the extent this option is an incentive stock option, no such leave may exceed three (3) months (the "Maximum Leave Period"), unless your reemployment upon expiration of such leave is guaranteed by statute or contract. If your reemployment upon expiration of a leave of absence

approved by the Company is not so guaranteed, then three (3) months following the day after the end of the Maximum Leave Period any part of this option intended to be an incentive stock option will cease to be treated as an incentive stock option and will be treated for tax purposes as a nonstatutory stock option.

If you go on a leave of absence, then the vesting schedule specified in the Notice of Stock Option Grant may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave. If you commence working on a part-time basis, then the vesting schedule specified in the Notice of Stock Option Grant may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.

Restrictions on Exercise

The Company will not permit you to exercise this option if the issuance of shares at that time would violate any applicable law or regulation, as determined by the Company.

Notice of Exercise

When you wish to exercise this option, you must notify the Company by filing the proper "Notice of Exercise" form at the address given on the form. Your notice must specify how many shares you wish to purchase. Your notice must also specify how your shares should be registered. The notice will be effective when the Company receives it.

If someone else wants to exercise this option after your death, that person must prove to the Company's satisfaction that he or she is entitled to do so.

Form of Payment

When you submit your notice of exercise, you must include payment of the option exercise price for the shares that you are purchasing. To the extent permitted by applicable law, payment may be made in one (or a combination of two or more) of the following forms:

- Your personal check, a cashier's check or a money order.
- Certificates for shares of Company stock that you own, along with any forms needed to effect a transfer of those shares to the Company. However, the Company's consent is required for this alternative. The value of the shares, determined as of the effective date of the option exercise, will be applied to the option exercise price. Instead of surrendering shares of Company stock, you may attest to the ownership of those shares on a form provided by the Company and have the same number of shares subtracted from the option shares issued to you.

- Irrevocable directions to a securities broker approved by the Company to sell all or part of your option shares and to deliver to the Company from the sale proceeds an amount sufficient to pay the option exercise price and any withholding taxes. The balance of the sale proceeds, if any, will be delivered to you.

Withholding Taxes and Stock Withholding

You will not be allowed to exercise this option unless you make arrangements acceptable to the Company to pay any withholding taxes that may be due as a result of the option exercise. With the Company's consent, these arrangements may include withholding shares of Company stock that otherwise would be issued to you when you exercise this option with a Fair Market Value equal to the minimum amount statutorily required to be withheld.

Restrictions on Resale

You agree not to sell any option shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

Transfer of Option

Prior to your death, only you may exercise this option. You cannot transfer or assign this option. For instance, you may not sell this option or use it as security for a loan. If you attempt to do any of these things, this option will immediately become invalid. You may, however, dispose of this option in your will or a beneficiary designation.

Regardless of any marital property settlement agreement, the Company is not obligated to honor a notice of exercise from your former spouse, nor is the Company obligated to recognize your former spouse's interest in your option in any other way.

Retention Rights

Your option or this Agreement does not give you the right to be retained by the Company or a subsidiary of the Company in any capacity. The Company and its subsidiaries reserve the right to terminate your Service at any time, with or without cause.

Stockholder Rights

You, or your estate or heirs, have no rights as a stockholder of the Company until you have exercised this option by giving the required notice to the Company and paying the exercise price. No adjustments are made for dividends or other rights if the applicable record date occurs before you exercise this option, except as described in the Plan.

Adjustments

In the event of a stock split, a stock dividend or a similar change in Company stock, the number of shares covered by this option and the exercise price per share will be adjusted pursuant to the Plan.

Applicable Law	This Agreement will be interpreted and enforced under the laws of the State of California (without regard to their choice-of-law provisions).
The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. This Agreement, the Notice of Stock Option Grant, any duly authorized written agreement between you and the Company and the Plan constitute the entire understanding between you and the Company regarding this option. Any prior agreements, commitments or negotiations concerning this option are superseded. This Agreement may be amended only by another written agreement between the parties.

BY SIGNING THE COVER SHEET OF THIS AGREEMENT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

eHEALTH, INC. 2014 EQUITY INCENTIVE PLAN
NOTICE OF STOCK UNIT GRANT

You have been granted the following Stock Unit award covering shares of the Common Stock of eHealth, Inc. (the "***Company***"). Each Stock Unit is equivalent to one share of Common Stock of the Company (a "***Share***") for purposes of determining the number of Shares subject to this Stock Unit award. None of the Shares underlying the Stock Units will be issued (nor will you have the rights of a stockholder with respect to the underlying Shares) until the vesting conditions described below are satisfied. Additional terms of this grant are as follows:

Name of Participant:	Scott N. Flanders
Total Number of Shares:	200,000 Shares
Date of Grant:	June 3, 2016
Vesting Schedule:	Shares covered by this Stock Unit award will vest to the extent that the Performance Goals (as defined below) are achieved and you remain in continuous Service through the applicable vesting date(s).

Performance-Based Vesting Metrics and Determination of the Number of Shares Eligible for Time-Based Vesting

Performance-Based Vesting Requirements

Shares covered by this Stock Unit award will become eligible to vest based upon achievement of and in accordance with the following performance criteria (the "***Performance Goals***"):

1. Twenty five percent (25%) of the Shares subject to this Stock Unit award will become eligible to vest if, during the four (4) year period following the Date of Grant (the "***Performance Period***"), the average of the closing price per Share, as quoted on NASDAQ, over a consecutive, thirty (30) trading day period (the "***Average Closing Price***") first equals or exceeds $20.00 per Share but is less than $24.00 per Share (the "***First Goal***").

2. Twenty five percent (25%) of the Shares subject to this Stock Unit award will become eligible to vest if, during the Performance Period, the Average Closing Price first equals or exceeds $24.00 per Share but is less than $28.00 per Share (the "***Second Goal***").

3. Twenty five percent (25%) of the Shares subject to this Stock Unit award will become eligible to vest if during the Performance Period, the Average Closing Price first equals or exceeds $28.00 per Share but is less than $36.00 per Share (the "***Third Goal***").

4. Twenty five percent (25%) of the Shares subject to this Stock Unit award will become eligible to vest if during the Performance Period, the Average Closing Price first equals or exceeds $36.00 per Share (the "***Fourth Goal***").

For the avoidance of doubt, if any of the Second Goal, Third Goal, or Fourth Goal is achieved prior to the achievement of any of the Performance Goals with a lower Average Closing Price, then any such

Performance Goals with the lower Average Closing Price also concurrently will be deemed to have been met. For example, if the Second Goal is achieved and, prior to the date of such achievement, the First Goal had not yet been achieved, then 50% of the Shares subject to this Stock Unit award will become eligible to vest to reflect the achievement of both the First Goal and Second Goal.

Service-Based Vesting Requirements

In addition to the performance-based vesting requirements set forth above, the Shares covered by this Stock Unit award also are subject to the following service-based vesting requirements. The number of Shares subject to this Stock Unit award that become eligible to vest based on achievement of the above Performance Goals, as determined by the Administrator in its sole discretion, will be referred to as "***Eligible Shares***." Any Eligible Shares will be scheduled to vest on the one (1) year anniversary of the date the applicable Performance Goal is achieved, provided you remain in continuous Service through the applicable vesting date.

Example: Assume no Shares previously have become eligible to vest and during the consecutive, thirty (30) trading day period beginning April 3, 2017, the Average Closing Price was $22 per share. The Administrator determines that 25% of the Shares subject to this Stock Unit award become Eligible Shares for satisfying the First Goal as of May 12, 2017. Assuming you remain in continuous Service through May 12, 2018, the Eligible Shares will vest on that date.

Vesting in Connection with Certain Events

If, during the Performance Period, a Change in Control occurs, then the Performance Period will be shortened such that the Performance Period will end as of the Change in Control and, to the extent that any of the Performance Goals are achieved based on the value of the per-Share consideration received by the Company's stockholders in connection with the Change in Control (the "***Per-Share Consideration***") (and, for the avoidance of doubt, in lieu of and without regard to any thirty (30) trading day closing price average otherwise required with respect to determining the achievement of Performance Goals not in connection with a Change in Control), such Performance Goal will be deemed achieved under this Stock Unit award, as determined by the Administrator in its sole discretion, and the applicable Shares subject to this Stock Unit award as a result of such Performance Goal achievement will become Eligible Shares. For the avoidance of doubt, if any of the Second Goal, Third Goal, or Fourth Goal is achieved both (x) in connection with the Change in Control as specified in this paragraph and (y) prior to the achievement of any Performance Goal(s) with a lower Average Closing Price, then any such Performance Goal(s) with the lower Average Closing Price also concurrently will be deemed to have been met in connection with the Change in Control. Any Shares subject to this Stock Unit award that have not become Eligible Shares prior to or upon the Change in Control will be forfeited automatically. Any Eligible Shares resulting from the Change in Control transaction will be scheduled to vest on the one (1) year anniversary of the Change in Control, provided you remain in continuous Service through that vesting date.

This Stock Unit award may be subject to earlier vesting pursuant to the terms of Sections 6(a)(iii) and 6(b) of the Employment Agreement dated May 31, 2016, as entered into by and between you and the Company, which agreement is incorporated by reference herein.

In the event that you have executed a valid deferral election with respect to this Stock Unit award, any Eligible Shares that vest under this Stock Unit award will be settled in accordance with such deferral election and the applicable payment timing requirements of the Stock Unit Agreement attached hereto.

You and the Company agree that this Stock Unit award is granted under, and governed by the terms and conditions of, the 2014 Equity Incentive Plan (the "***Plan***") and the Stock Unit Agreement, both of which are attached to this document, and any other agreements referenced herein, all of which are made a part of this document. Capitalized terms used herein that are not defined herein will have the same meaning as set forth in the Plan.

You further agree that the Company may deliver by email all documents relating to the Plan or this award (including, without limitation, prospectuses required by the Securities and Exchange Commission) and all other documents that the Company is required to deliver to its security holders (including, without limitation, annual reports and proxy statements). You also agree that the Company may deliver these documents by posting them on a website maintained by the Company or by a third party under contract with the Company. If the Company posts these documents on a website, it will notify you by email.

PARTICIPANT:

Scott N. Flanders

EHEALTH, INC.

By: Michael D. Goldberg (Aug 1, 2016)

Title: _____

eHealth, Inc. 2014 Equity Incentive Plan

Stock Unit Agreement

Grant	The Company hereby grants you an award of restricted Stock Units ("RSUs"), as set forth in the Notice of Stock Unit Grant (the "Notice of Grant") and subject to the terms and conditions in this Agreement and the Company's 2014 Equity Incentive Plan (the "Plan"). Unless otherwise defined herein, the terms defined in the Plan shall have the same defined meanings in this Stock Unit Agreement.
Company's Obligation	Each RSU represents the right to receive a share of Stock (a "Share") on the vesting date. Unless and until the RSUs vest, you will have no right to receive Shares under such RSUs. Prior to actual distribution of Shares pursuant to any vested RSUs, such RSUs will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company. Settlement of any vested RSUs shall be made in whole Shares only.
Vesting	Subject to the next paragraph (Forfeiture upon Termination of Service), the RSUs awarded by this Agreement will vest according to the vesting schedule specified in the Notice of Grant. If you commence working on a part-time basis, then the vesting schedule specified in the Notice of Grant may be adjusted in accordance with the Company's part-time work policy or the terms of an agreement between you and the Company pertaining to your part-time schedule.
Forfeiture upon Termination of Service	Notwithstanding any contrary provision of this Agreement or the Notice of Grant, if you terminate Service for any or no reason prior to vesting, the unvested RSUs awarded by this Agreement will thereupon be forfeited at no cost to the Company, except as otherwise specified in any duly authorized written agreement between you and the Company.
Leaves of Absence	For purposes of this RSU, your Service does not terminate when you go on a military leave, a sick leave or another *bona fide* leave of absence, if the leave was approved by the Company in writing and if continued crediting of Service is required by the terms of the leave or by applicable law. But your Service terminates when the approved leave ends, unless you immediately return to active work. If you go on a leave of absence, then the vesting schedule specified in the Notice of Grant may be adjusted in accordance with the Company's leave of absence policy or the terms of your leave.
Payment after	Any RSUs that vest hereunder will be paid to you (or in the event of your death, to your estate) in Shares. Subject to any payment delay

Vesting

required under the following paragraph, such vested RSUs shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will you be permitted, directly or indirectly, to specify the taxable year of payment of any RSUs payable under this Agreement.

Notwithstanding anything in the Plan or this Agreement or any other agreement (whether entered into before, on or after Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the RSUs is accelerated in connection with your termination of Service (provided that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to your death, and if (x) you are a "specified employee" within the meaning of Section 409A at the time of such termination of Service and (y) the payment of such accelerated RSUs will result in the imposition of additional tax under Section 409A if paid to you on or within the six (6) month period following your termination of Service, then the payment of such accelerated RSUs will not be made until the date six (6) months and one (1) day following the date of your termination of Service, unless you die following your termination of Service, in which case, the RSUs will be paid in Shares to your estate as soon as practicable following your death.

Section 409A

It is the intent of this Agreement that it and all payments and benefits hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the RSUs provided under this Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

Tax Withholding

Notwithstanding any contrary provision of this Agreement, no Shares shall be distributed to you unless and until you have made satisfactory arrangements with respect to the payment of income, employment and any other taxes which must be withheld with respect to such Shares. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit you to satisfy such tax withholding obligation, in whole or in part by one or more of the following: (a) paying cash, (b) electing to have the Company withhold otherwise deliverable Shares having a value equal to the minimum amount statutorily required to be withheld, (c) delivering to the Company already vested and owned Shares having a value equal to the

amount required to be withheld, or (d) selling a sufficient number of such Shares otherwise deliverable to you through such means as the Administrator may determine in its sole discretion (whether through a broker or otherwise) equal to the amount required to be withheld. If you fail to make satisfactory arrangements for the payment of any required tax withholding obligations with respect to Shares that are vesting, the Administrator, in its sole discretion, may require you to permanently forfeit such Shares and the Shares will be returned to the Plan at no cost.

Tax Consequences

You acknowledge that you have reviewed with your own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement. With respect to such matters, you acknowledge and agree that you are relying solely on such advisors and not on any statements or representations of the Company or any of its agents, written or oral. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

Arbitration

You and the Company agree that any and all disputes arising out of the terms of the Notice of Grant, the Plan or this Agreement or their interpretation shall be subject to binding arbitration in Santa Clara County, California before the American Arbitration Association under its California Employment Dispute Resolution Rules, or by a judge to be mutually agreed upon. You and the Company agree that the prevailing party in any arbitration shall be entitled to injunctive relief in any court of competent jurisdiction to enforce the arbitration award. You and the Company agree that the prevailing party in any arbitration shall be awarded reasonable attorney's fees and costs.

Payments after Death

Any distribution or delivery to be made to you under this Agreement will, if you are then deceased, be made to the administrator or executor of your estate. Any such administrator or executor must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

Stockholder Rights

Neither you nor any person claiming under or through you will have any of the rights or privileges of a stockholder of the Company in respect of any Shares deliverable hereunder unless and until certificates representing such Shares will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to you or your broker.

No Effect on Employment

Your employment with the Company and its Subsidiaries is on an at-will basis only. Accordingly, the terms of your employment with the Company and its Subsidiaries will be determined from time to time by

	the Company or the Subsidiary employing you (as the case may be), and the Company or the Subsidiary will have the right, which is hereby expressly reserved, to terminate or change the terms of your employment at any time for any reason whatsoever, with or without good cause or notice.
Notices	Any notice to be given to the Company under the terms of this Agreement will be addressed to the Company at 440 East Middlefield Road, Mountain View, California 94043, Attn: Stock Administration, or at such other address as the Company may hereafter designate in writing or electronically.
Grant is Not Transferable	Except to the limited extent provided in paragraph, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void. You may, however, dispose of this award in your will or through a beneficiary designation.
Binding Agreement	Subject to the limitation on the transferability of this grant contained herein, this Agreement will be binding upon and inure to the benefit of the heirs, legatees, legal representatives, successors and assigns of the parties hereto.
Additional Conditions to Issuance of Stock	If at any time the Company will determine, in its discretion, that the listing, registration or qualification of the Shares upon any securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to you (or your estate), such issuance will not occur unless and until such listing, registration, qualification, consent or approval will have been effected or obtained free of any conditions not acceptable to the Company. The Company will make all reasonable efforts to meet the requirements of any such state or federal law or securities exchange and to obtain any such consent or approval of any such governmental authority.
Resale Restrictions	You agree not to sell any RSU Shares at a time when applicable laws, Company policies or an agreement between the Company and its underwriters prohibit a sale. This restriction will apply as long as your Service continues and for such period of time after the termination of your Service as the Company may specify.

Applicable Law	This Agreement will be interpreted and enforced under the laws of the State of California, without regard to its choice-of-law provisions.
The Plan and Other Agreements	The text of the Plan is incorporated in this Agreement by reference. This Agreement and the Notice of Grant are subject to all terms and provisions of the Plan. In the event of a conflict between one or more provisions of this Agreement or the Notice of Grant and one or more provisions of the Plan, the provisions of the Plan will govern. This Agreement, the Notice of Grant, any duly authorized written agreement between you and the Company and the Plan constitute the entire understanding between you and the Company regarding this award. Any prior agreements, commitments or negotiations concerning this award are superseded. This Agreement may be amended only by another written agreement between the parties. Notwithstanding anything to the contrary in the Plan or this Agreement, the Company reserves the right to revise this Agreement as it deems necessary or advisable, in its sole discretion and without your consent, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this grant of RSUs.
Administrator Authority	The Administrator will have the power to interpret the Plan, the Notice of Grant and this Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any RSUs have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon you, the Company and all other interested persons. No member of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan, the Notice of Grant or this Agreement.

BY SIGNING THE NOTICE OF GRANT, YOU AGREE TO ALL OF THE TERMS AND CONDITIONS DESCRIBED ABOVE AND IN THE PLAN.

[Company Letterhead]

[DATE]

[Name]
[Address]

Dear [Name]:

I am pleased to offer you a severance agreement with eHealth, Inc. (the "***Company***") based on the terms described in this letter agreement (the "***Letter***") and the attached Appendix A (which is incorporated by reference and is made part of this Letter). Unless otherwise defined in this Letter, capitalized terms will have the meanings that are provided in Appendix A.

If your employment with the Company is terminated by the Company without Cause and other than due to death or Disability, then subject to the additional terms and conditions described in Appendix A, you will receive:

(a) continued payment of your base salary as in effect immediately prior to the termination of your employment with the Company, for a period of six (6) months following the termination of your employment with the Company, payable in accordance with the Company's normal payroll practices ("***Salary Severance***"), and

(b) if you elect continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("***COBRA***") within the time period specified under COBRA for you and your eligible dependents, then the Company will reimburse you for the COBRA premiums for such coverage (at the coverage levels in effect immediately prior to your termination) until the earlier of (i) a period of six (6) months following the date of termination or (ii) the date upon which you and/or your eligible dependents become covered under similar plans ("***COBRA Severance***").

All payments made under this Letter will be subject to withholding of applicable income, employment and other taxes. This Letter supersedes any agreement concerning similar subject matter dated prior to the date of this Letter. This Letter will be governed by the laws of the State of California (with the exception of its conflict of laws provisions). The invalidity or unenforceability of any provision of this Letter will not affect the validity or enforceability of any other provision of this Letter, which will remain in full force and effect. This Letter may be modified only by a writing executed by you and a duly authorized officer of the Company (other than you).

To accept this Letter, please date and sign this Letter below where indicated and return it to [Name and Contact]. If you do not accept this Letter by [Date], 2016, this Letter will not become effective.

We thank you for your continued service to the Company.

Sincerely,

[Name]
[Title]
eHealth, Inc.

_____

By signing this Letter, I acknowledge that I have read this Letter carefully and understand its terms and that I enter into this Letter knowingly and voluntarily; and I agree to and accept all the terms set forth in this Letter.

Agreed and Accepted:

Dated: _____, 2016 [Employee Name]

APPENDIX A

Any capitalized terms not defined in this Appendix A will have the meaning provided in the Letter to which this Appendix A is attached.

A. Release of Claims Agreement.

(1)

Release Deadline. The receipt of any severance payments or benefits under the Letter and this Appendix A (the "***Severance Benefits***") is subject to your signing and not revoking the Company's then-standard separation agreement and release of claims (the "***Release***"), which must become effective and irrevocable no later than the sixtieth (60th) day following the termination of your employment (the "***Release Deadline Date***"). If the Release does not become effective and irrevocable by the Release Deadline Date, you will forfeit any right to the Severance Benefits. In no event will Severance Benefits be paid or provided, or in the case of installments, begin, until the Release actually becomes effective and irrevocable.

(2)

Payment Timing Following Release. If the Release becomes effective and irrevocable by the Release Deadline Date, then in each case subject to Section C below, the Severance Benefits will be paid, or in the case of installments, will begin, on the date that the Release becomes effective and irrevocable, provided that if the Release Deadline Date occurs in the calendar year following the calendar year in which the termination of your employment occurs, then the Severance Benefits will be paid, or in the case of installments, will begin, on the later of (a) the date on which the Release becomes effective and irrevocable, or (b) the first business day of the calendar year immediately following the calendar year in which the termination of your employment occurred (such payment date, the "***Severance Start Date***"), but in no event later than March 15th of the calendar year following the calendar year in which the termination of your employment occurs, and any Severance Benefits otherwise payable to you during the period immediately following the termination of your employment with the Company through the Severance Start Date will be paid in a lump sum to you on the Severance Start Date, with any remaining payments to be made as provided in the Letter (or this Appendix A, as applicable).

B. Cash Severance in Lieu of COBRA Severance. Notwithstanding the COBRA Severance that is described in the Letter, if the Company determines in its sole discretion that it cannot provide the COBRA Severance to you without potentially violating, or being subject to an excise tax under, applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of the COBRA Severance, the Company will provide to you a taxable monthly payment, payable on the last day of a given month (except as provided by the following sentence), in an amount equal to the monthly COBRA premium that you would be required to pay to continue your group health coverage in effect on the date of termination of employment (which amount will be based on the premium for the first month of COBRA coverage), which payments will be made regardless of whether you elect COBRA continuation coverage and will begin on the first month following the termination of your employment and will end on the earlier of (x) the date upon which you obtain other employment or (y) the date the Company has paid an amount equal to six (6) payments. For the avoidance of doubt, any taxable payments in lieu of COBRA Severance may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings.

C. Section 409A.

(1)

Notwithstanding anything to the contrary in the Letter or this Appendix A, no Severance Benefits to be paid or provided to you, if any, when considered together with any other severance payments or separation benefits, are considered deferred compensation under Section 409A of the Code, and the final regulations and any guidance promulgated thereunder ("***Section 409A***") (together, the "***Deferred Payments***") will be paid or otherwise provided until you have a "separation from service" within the meaning of Section 409A. Similarly, no Severance Benefits payable to you, if any, that otherwise would be exempt from Section 409A pursuant to Treasury Regulation Section 1.409A-1(b)(9) will be payable until you have a "separation from service" within the meaning of Section 409A. Notwithstanding the provisions set forth in Section A above, provided that the Release becomes effective and irrevocable in accordance with Section A, in the event that the termination of your employment occurs at a time during the calendar year when the Release could become effective in the calendar year immediately following the calendar year in which the termination of your employment occurs (regardless of which calendar year the Release actually becomes effective and irrevocable), then any Severance Benefits that would be considered Deferred Payments that otherwise are payable between the date of termination of your employment and the Release Deadline Date will be paid, or in the case of installments, will commence, on the Release Deadline Date, and any remaining or other Severance Benefits will be paid in accordance with their payment schedule as provided in the Letter and this Appendix A.

(2)

It is intended that none of the Severance Benefits will constitute Deferred Payments but rather will be exempt from Section 409A as a payment that would fall within the "short-term deferral period" as described in subsection (4) below or resulting from an involuntary separation from service as described in subsection (5) below. In no event will you have discretion to determine the taxable year of payment of any Deferred Payment.

(3)

Notwithstanding anything to the contrary in the Letter or this Appendix A, if you are a "specified employee" within the meaning of Section 409A at the time of your separation from service (other than due to death), then the Deferred Payments, if any, that are payable within the first six (6) months following your separation from service, will become payable on the first payroll date that occurs on or after the date six (6) months and one (1) day following the date of your separation from service. All subsequent Deferred Payments, if any, will be payable in accordance with the payment schedule applicable to each payment or benefit. Notwithstanding anything herein to the contrary, in the event of your death following your separation from service, but before the six (6) month anniversary of the separation from service, then any payments delayed in accordance with this paragraph will be payable in a lump sum as soon as administratively practicable after the date of your death and all other Deferred Payments will be payable in accordance with the payment schedule applicable to each payment or benefit. Each payment and benefit payable under the Letter and this Appendix A is intended to constitute a separate payment under Section 1.409A-2(b)(2) of the Treasury Regulations.

(4)

Any amount paid under the Letter or this Appendix A that satisfies the requirements of the "short-term deferral" rule set forth in Section 1.409A-1(b)(4) of the Treasury Regulations will not constitute Deferred Payments for purposes of subsection (1) above.

(5)

Any amount paid under the Letter or this Appendix A that qualifies as a payment made as a result of an involuntary separation from service pursuant to Section 1.409A-1(b)(9)(iii) of the Treasury Regulations that does not exceed the Section 409A Limit (as defined below) will not constitute Deferred Payments for purposes of subsection (1) above.

(6)

The foregoing provisions are intended to comply with or be exempt from the requirements of Section 409A so that none of the severance payments and benefits to be provided hereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities or ambiguous terms herein will be interpreted to so comply or be exempt. For purposes of the Letter and this Appendix A, to the extent required to be exempt from or comply with Section 409A, references to the "termination of your employment" or similar phrases will be references to your "separation from service" within the meaning of Section 409A. The Company and you agree to work together in good faith to consider amendments to the Letter and this Appendix A and to take such reasonable actions which are necessary, appropriate or desirable to avoid imposition of any additional tax or income recognition before actual payment to you under Section 409A. In no event will the Company reimburse you for any taxes imposed or other costs incurred as result of Section 409A.

D. Limitation on Payments. In the event that the Severance Benefits or other payments and benefits payable or provided to you (i) constitute "***parachute payments***" within the meaning of Section 280G of the Code and (ii) but for this Section D, would be subject to the excise tax imposed by Section 4999 of the Code, then your Severance Benefits or other payments or benefits (the "***280G Amounts***") will be either: (x) delivered in full, or (y) delivered as to such lesser extent which would result in no portion of such benefits being subject to excise tax under Section 4999 of the Code, whichever of the foregoing amounts, taking into account the applicable federal, state and local income taxes and the excise tax imposed by Section 4999, results in the receipt by you on an after-tax basis, of the greatest amount of 280G Amounts, notwithstanding that all or some portion of the 280G Amounts may be taxable under Section 4999 of the Code.

(1)

Reduction Order. In the event that a reduction of 280G Amounts is being made in accordance with this Section D, the reduction will occur, with respect to the 280G Amounts considered parachute payments within the meaning of Section 280G of the Code, in the following order: (a) reduction of cash payments in reverse chronological order (that is, the cash payment owed on the latest date following the occurrence of the event triggering the excise tax will be the first cash payment to be reduced); (b) cancellation of equity awards that were granted "contingent on a change in ownership or control" within the meaning of Code Section 280G in the reverse order of date of grant of the awards (that is, the most recently granted equity awards will be cancelled first); (c) reduction of the accelerated vesting of equity awards in the reverse order of date of grant of the awards (that is, the vesting of the most recently granted equity awards will be cancelled first); and (d) reduction of employee benefits in reverse chronological order (that is, the benefit owed on the latest date following the occurrence of the event triggering the excise tax will be the first benefit to be reduced).

In no event will you have any discretion with respect to the ordering of payments.

(2)

Calculations. Unless the Company and you otherwise agree in writing, any determination required under this Section D will be made in writing by a nationally recognized accounting or valuation firm (the "***Firm***") selected by the Company, whose

determination will be conclusive and binding upon you and the Company for all purposes. For purposes of making the calculations required by this Section, the Firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and you will furnish to the Firm such information and documents as the Firm may reasonably request in order to make a determination under this Section. The Company will bear all costs and make all payments for the Firm's services relating to any calculations contemplated by this Section.

E. Definitions. The following terms referred to in the Letter and this Appendix A will have the following meanings:

(1)

Cause. "***Cause***" will mean: (a) your commission of any act of fraud, embezzlement or dishonesty, (b) your being convicted of, or your plea of *nolo contendere* to, a felony under the laws of the United States or any state thereof, (iii) your continued failure to perform lawfully assigned duties for thirty (30) days after receiving written notification from the Company, (iv) your unauthorized use or disclosure of confidential information or trade secrets of the Company, or (v) any other intentional misconduct by you that adversely affects the business of the Company in a material manner. The foregoing definition does not in any way limit the Company's ability to terminate your employment relationship at any time, and the term "Company" will be interpreted to include any subsidiary, parent, affiliate or successor thereto, if applicable.

(2)

Code. "***Code***" will mean the Internal Revenue Code of 1986, as amended.

(3)

Disability. "***Disability***" will mean your inability to perform the essential functions of your job due to a permanent and total disability as defined under Section 22(e)(3) of the Code.

(4)

Section 409A Limit. "***Section 409A Limit***" will mean two (2) times the lesser of: (i) your annualized compensation based upon the annual rate of pay paid to you during your taxable year preceding your taxable year of your termination of employment as determined under, and with such adjustments as are set forth in, Treasury Regulation Section 1.409A-1(b)(9)(iii)(A)(1) and any Internal Revenue Service guidance issued with respect thereto; or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Section 401(a)(17) of the Code for the year in which your employment is terminated.

F. Exclusive Remedy. The Letter and this Appendix A are intended to be and are exclusive and in lieu of and supersede any other rights or remedies to which you may be entitled, whether at law, tort or contract, in equity, or under the Letter and this Appendix A (other than the payment of accrued and unpaid wages, as required by law, and any unreimbursed reimbursable expenses). You will be entitled to no benefits, compensation or other payments or rights upon a termination of your employment other than those expressly set forth in the Letter and this Appendix A.

Exhibit 31.1

CERTIFICATION

I, Scott N. Flanders, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of eHealth, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2016

/s/ SCOTT N. FLANDERS

Scott N. Flanders

Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Stuart M. Huizinga, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of eHealth, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2016

/s/ STUART M. HUIZINGA

Stuart M. Huizinga

Principal Financial Officer and Accounting Officer

Exhibit 32.1

Certification of Chief Executive Officer, Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of eHealth, Inc. on Form 10-Q (the "Form 10-Q") for the quarterly period ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott N. Flanders, Chief Executive Officer of eHealth, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Form 10-Q, to which this certification is attached as Exhibit 32.1, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of eHealth, Inc.

/s/ SCOTT N. FLANDERS

Scott N. Flanders
Chief Executive Officer
August 8, 2016

A signed original of this written statement required by Section 906 has been provided to eHealth, Inc. and will be retained by eHealth, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 32.2

Certification of Principal Financial Officer and Accounting Officer, Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of eHealth, Inc. on Form 10-Q (the "Form 10-Q") for the quarterly period ended June 30, 2016, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Stuart M. Huizinga, Principal Financial Officer and Accounting Officer of eHealth, Inc., certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

(1) The Form 10-Q, to which this certification is attached as Exhibit 32.2, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of eHealth, Inc.

/s/ STUART M. HUIZINGA

Stuart M. Huizinga
Principal Financial Officer and Accounting Officer
August 8, 2016

A signed original of this written statement required by Section 906 has been provided to eHealth, Inc. and will be retained by eHealth, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.