

Forrester Research

eHealthInsurance[®]

**The Cost And Benefits Of Individual Health
Insurance Plans: 2007**

FORRESTER[®]

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Introduction and overview

- eHealthInsurance, a wholly-owned subsidiary of eHealth, Inc, is the nation's leading online source of health insurance for individuals and families. Many of eHealthInsurance's customers are self-employed, are not offered health insurance through their employer, or choose to purchase a plan for themselves in lieu of enrolling in a plan offered by their employer. We are licensed to market and sell health insurance in all 50 states and the District of Columbia. We have developed partnerships with over 160 health insurance carriers, enabling us to offer more than 7,000 health insurance products online. Consumers compare, apply for, and purchase plans available in their ZIP codes. This nationwide perspective enables the company to provide a unique, unbiased analysis of consumer purchasing patterns of individual and family health insurance plans throughout the United States.
- Prior to purchasing a plan from eHealthInsurance, approximately 40% of the company's customers were uninsured. In 2001, eHealthInsurance began issuing reports to inform the market about the uninsured and the individual health insurance market, as it is one of the few organizations with national source data that accurately reflects consumer buying patterns and purchase prices. As the number of uninsured Americans has reached 47 million, the importance of exposing what consumers are choosing to pay, and the benefits they receive for health insurance plans purchased on their own, continues to increase.
- The 2001 Cost and Benefits of Individual Health Insurance Plans report was the first report issued by eHealthInsurance. This 2007 Cost and Benefits Report has been enhanced since its last release in 2005. In addition to the data points provided in previous reports, this expanded version also includes more details on family plan premiums and benefits, comparisons of premium costs by gender and age, and the cost of health insurance for children insured individually. In addition, eHealthInsurance has collaborated with Forrester Research to evaluate and describe the data presented.

Methodology summary

- Current plan data referred to in this report is derived from over 160,000 individual and family (IFP) major medical policies purchased through eHealthInsurance that were active in August 2006. Current data is also referred to as 2006 data.
- The 2005 plan data referred to in this report is derived from over 115,000 individual and family major medical policies purchased through eHealthInsurance that were active in August 2005.
- This report analyzes monthly premiums paid on individual, family and children's major medical health insurance policies in 2005 and 2006, along with the benefits associated with those plans.
- This report utilizes a new methodology employed with the introduction of Forrester Research as a partner. For this reason, comparisons should not be made between the data in this report and data contained in eHealthInsurance's November 2005 "The Cost And Benefits of Individual Health Insurance Plans" report.
- For detailed or comparative information on HSA-eligible plans, please refer to eHealthInsurance's report: "Health Savings Accounts: January 2005 – December 2005," published in May 2006.
- More detail on the methodology of this report can be found on page 21.

Report summary

- Half of all individual policy holders pay less than \$122 per month for major medical coverage. More than half of all family policy holders pay less than \$300 per month.
- Within major medical plans sold to individuals, women pay a higher average monthly premium than men overall (\$161 vs. \$136), as well as across each age group (with the exception of the under-18 age group).
- Children ages 0 to 2 years old as the primary policy holder pay the highest premiums (average: \$95) among children as primary policy holder.
- The range of average monthly premiums across the U.S. falls between \$98 for Iowa residents and \$338 for New York residents. This represents a monthly disparity of \$240, or \$2,880 per year. New Yorkers pay on average 3.5 times as much as residents of Iowa for health insurance.
- Fifty-six percent of major medical plans sold to individuals have a deductible of less than \$2,000, with 32% having a deductible of less than \$1,000. Of family plans, 44% have a deductible of \$2,000 or less.
- Of the major medical plans surveyed, more than 86% are PPOs.
- More than 80% of all plans purchased through eHealthInsurance have preventative care benefits like OB/GYN, periodic exam, and well baby coverage.

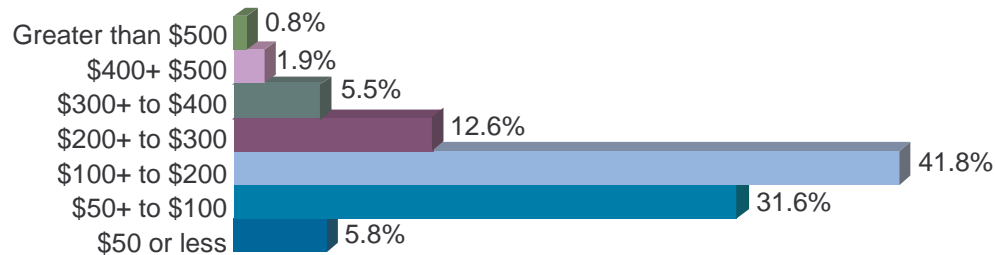
Major Medical Plan Premiums

Profile of eHealthInsurance policy holders: Comparison of 2005 to 2006

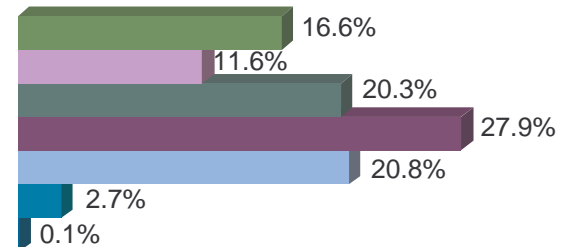
	2005	2006
% Male	56.6%	54.9%
Average age	36 years old	36 years old
% Single	57.5%	58.8%
Average monthly premium for individual plans	\$143	\$148
Average deductible for individual plans	\$1,721	\$1,864
Average monthly premium for family plans	\$326	\$344
Average deductible for family plans	\$2,291	\$2,486

Monthly premiums for major medical plans

Individual



Family



Average premium*	\$148/month	Average premium*	\$344/month
Median premium**	\$122/month	Median premium**	\$295/month

Half of all individual policy holders pay less than \$122 per month.

More than half of all family policy holders pay less than \$300 per month.

*An average is the sum of all the data in the distribution divided by the sample size.

**The median is the middle value in a set of numbers arranged in increasing order. If there is an even number of values, then median is the average of the middle two values.

Individual plan premiums by age

Age of primary policy holder	Avg. monthly premium	Avg. deductible	% of uninsured population *	% of U.S. population *	% of individual policies
Less than 18	\$86	\$1,584	17.8%	25.2%	6.3%
18-24	\$100	\$1,801	18.4%	9.5%	19.1%
25-34	\$120	\$1,738	22.4%	13.4%	33.8%
35-44	\$161	\$1,848	17.4%	14.7%	18.3%
45-54	\$211	\$2,145	14.0%	14.6%	13.3%
55-64	\$280	\$2,280	9.0%	10.5%	9.0%
Overall	\$148	\$1,864	100%	100%	100%

Additional findings from the analysis of eHealthInsurance data & external sources include:

59% of the nation's uninsured are under the age of 35*.

59% of eHealthInsurance policy holders are also under the age of 35.

This segment pays an average monthly premium of \$110.

* Source: "Income, Poverty and Health Insurance Coverage in the United States: 2006", released in August 2007 by the U.S. Census Bureau. This is the most recent data available from the U.S. Census outlining the demographics of the uninsured.

Family plan premiums by age

Age of primary policy holder	Avg. monthly premium	Avg. deductible	Avg. number of members on policy	Avg. cost per member	% of family policies
Less than 18	\$170	\$2,098	2.22	\$77	1.8%
18-24	\$207	\$2,054	2.25	\$92	3.2%
25-34	\$287	\$2,141	2.87	\$100	24.1%
35-44	\$343	\$2,470	3.36	\$102	36.7%
45-54	\$386	\$2,742	3.11	\$124	23.9%
55-64	\$457	\$2,973	2.37	\$193	10.0%
Overall	\$344	\$2,486	3.02	\$114	100%

Additional findings from the analysis of eHealthInsurance data include:

The majority of families pay between \$3,300 and \$4,550 a year for health insurance.

Across age groups, average monthly premiums and deductibles have risen from 2005 to 2006. For active policies as of August 2005, the overall average premium was \$326 (compared with \$344 for 2006) and the average deductible was \$2,291 (compared with \$2,486 for 2006).

The average age of the primary policy holder with a family plan is 40 years old.

Individual plan premiums by gender and age

Women	Less than 18	18-24	25-34	35-44	45-54	55-64	Overall
Monthly premium	\$85	\$109	\$133	\$175	\$218	\$280	\$161
% of individual policies	6.3%	19.7%	31.6%	16.8%	13.7%	11.8%	100%

Men	Less than 18	18-24	25-34	35-44	45-54	55-64	Overall
Monthly premium	\$86	\$92	\$109	\$150	\$204	\$280	\$136
% of individual policies	6.3%	18.6%	35.8%	19.7%	12.9%	6.5%	100%

Difference (Female-Male)							
	-\$1	\$18	\$24	\$25	\$14	\$0	\$25

In general, slightly more individual insurance plans are purchased by men (52%) than women. For individual plans, women pay more on average across the majority of age groups.

Family plan premiums by number of members on policy

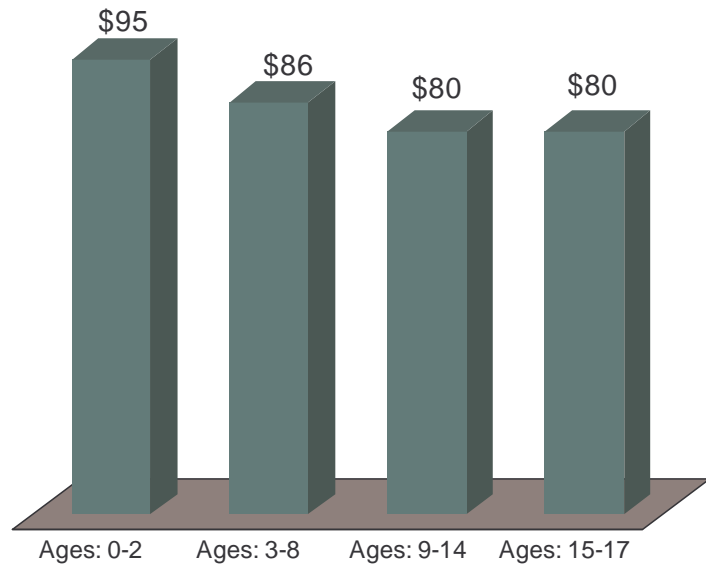
Members on policy	Monthly premium	Avg. cost per member	% of family policies
2	\$295	\$148	43.6%
3	\$347	\$116	23.8%
4	\$396	\$99	21.9%
5	\$428	\$86	8.0%
6-plus	\$435	\$73	2.7%
Overall family policies	\$344	\$114	100%

The average number of members per family policy remains consistent from 2005 at 3.0. There were slightly more large families purchasing in 2006 than in 2005.

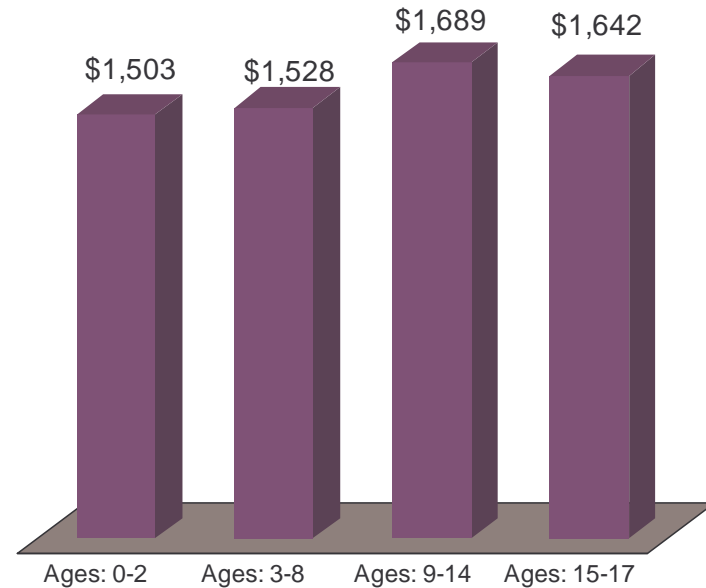
A family policy with two members could include a couple, a parent and child, or two children on their own policy.

Average and median premiums and deductibles for children's health insurance

Average monthly premiums



Average deductibles



Age group	0-2	3-8	9-14	15-17
Median premium	\$89	\$81	\$73	\$75

Age group	0-2	3-8	9-14	15-17
Median Deductible	\$1,000	\$1,000	\$1,500	\$1,500

Additional findings from the analysis of eHealthInsurance data include:

87% of these plans include preventive care, such as well baby/well child and periodic health exams.

Just over two-thirds of 0 – 17 year old primary applicants (70%) pay \$100 or less per month.

Individual plan premiums by state

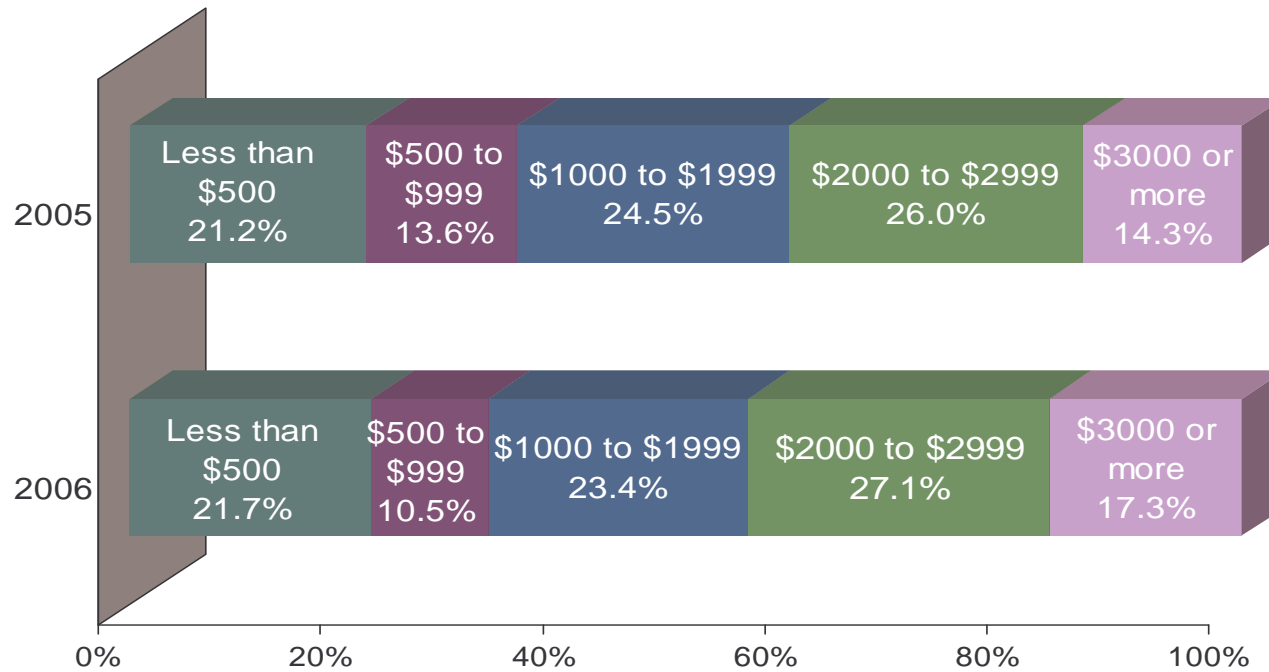
State	Average monthly premium	Average age	Percent Uninsured ++
AK*	\$170	35	16.5%
AL	\$125	32	15.2%
AR	\$123	36	18.9%
AZ	\$126	33	20.9%
CA	\$139	33	18.8%
CO	\$135	34	17.2%
CT	\$156	35	9.4%
DC	\$156	33	11.6%
DE*	\$131	32	12.1%
FL	\$154	34	21.2%
GA	\$161	33	17.7%
HI**	\$200	40	8.8%
IA	\$98	34	10.5%
ID	\$107	34	15.4%
IL	\$134	33	14.0%
IN	\$127	33	11.8%
KS	\$116	29	12.3%
KY	\$115	31	15.6%
LA	\$134	32	21.9%
MD	\$142	33	13.8%
MI	\$106	33	10.5%
MN	\$130	35	9.2%
MO	\$120	31	13.3%
MS*	\$152	37	20.8%

State	Average monthly premium	Average age	Percent Uninsured ++
MT*	\$132	31	17.1%
NC	\$142	31	17.9%
ND**	\$114	26	12.2%
NE	\$120	31	12.3%
NH*	\$138	29	11.5%
NJ	\$277	37	15.5%
NM	\$145	39	22.9%
NV	\$168	34	19.6%
NY	\$338	44	14.0%
OH	\$124	33	10.1%
OK	\$125	34	18.9%
OR	\$144	33	17.9%
PA	\$148	31	10.0%
RI**	\$109	41	8.6%
SC	\$148	35	15.9%
SD*	\$118	30	11.8%
TN	\$145	32	13.7%
TX	\$133	32	24.5%
UT	\$116	31	17.4%
VA	\$148	33	13.3%
WA	\$145	36	11.8%
WI	\$120	34	8.8%
WY*	\$125	31	14.6%
U.S.	\$148	34	15.8%

Note: States denoted with an asterisk (*) do not have a sufficient number of policies to determine the average monthly premium at an 80% confidence level. States denoted with a (+) have 20 or less policies surveyed. Massachusetts, Maine, Vermont, and West Virginia are excluded from this table and this report because eHealthInsurance did not sell major medical individual and family plans in those States in August 2006. (++) Data source of "Percent Uninsured" is U.S. Census Bureau: *Current Population Survey, 2007 Annual Social and Economic Supplement, August 28, 2007*

Major Medical Plan Benefits

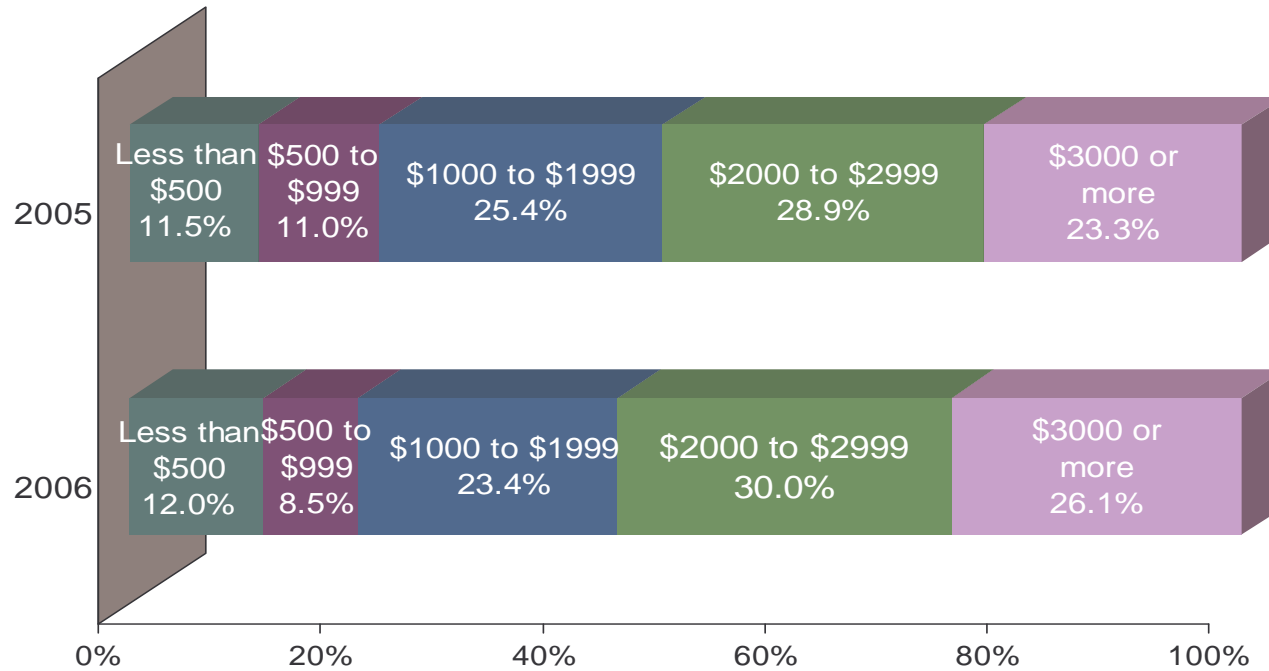
Deductible level: Individual plans



Additional findings from the analysis of eHealthInsurance data include:

Just over half of individual policy holders (55%) have a deductible of \$1500 or less.

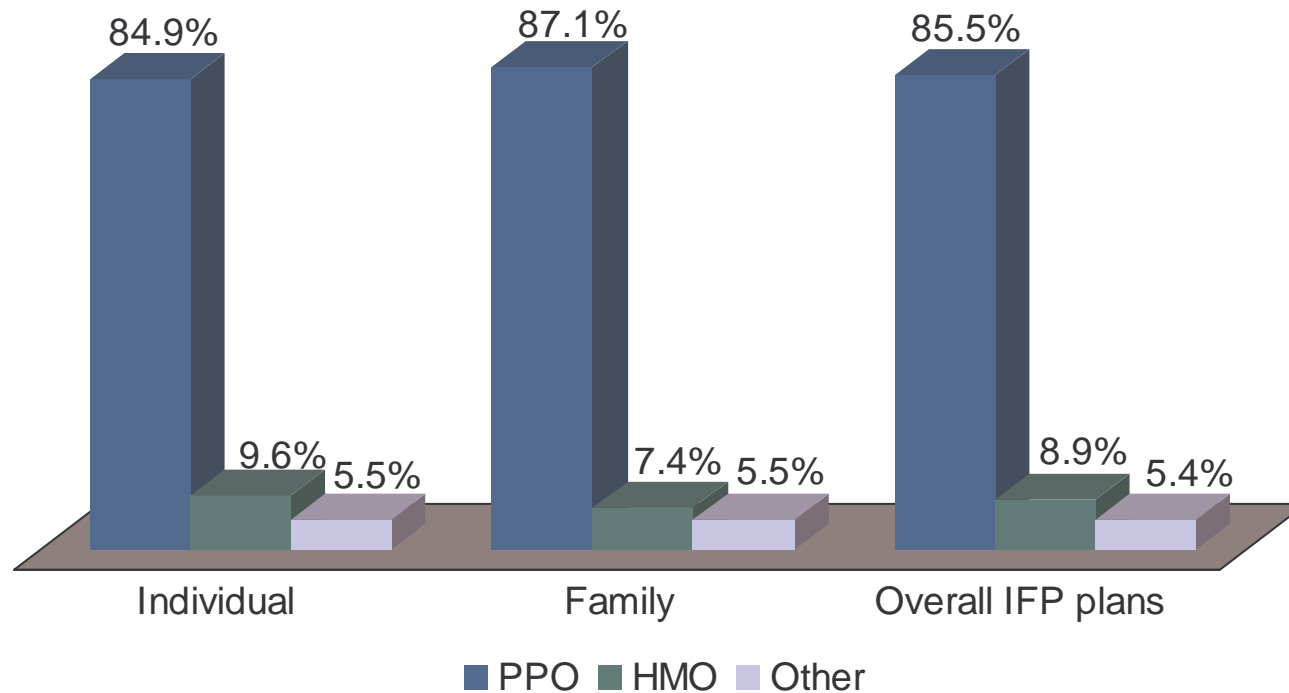
Deductible level: Family plans



Additional findings from the analysis of eHealthInsurance data include:

Just over half of family policy holders (54%) have a deductible less than \$2500.

Type of product



PPO: A type of managed care health insurance plan that allows members to visit whatever in-network physician or healthcare provider they wish without first requiring a referral from a primary care physician. Services will typically be covered at a higher benefit level when rendered by a network provider.

HMO: A health insurance plan or organization that provides a wide range of comprehensive healthcare services through a network of doctors, hospitals, labs, etc. who agree to provide services to HMO members at a pre-negotiated rate.

Other: Plans such as an EPO (Exclusive Provider Organization), Indemnity plan, POS (Point of Service plan) and MSA (Medical Savings Account).

Specific plan benefits and preventative care benefits

Plan benefit	Individual plans	Family plans	Overall IFP plans
Lab x-ray coverage	99.9%	99.7%	99.8%
Emergency room coverage	99.8%	99.7%	99.8%
Prescription coverage	85.9%	82.5%	85.0%
Chiropractic coverage	77.3%	73.9%	76.4%
Maternity coverage	28.4%	26.6%	27.9%

Preventative care	Individual plans	Family plans	Overall IFP plans
OB/GYN coverage	92.8%	94.8%	93.3%
Periodic exam coverage	86.3%	85.6%	86.1%
Well baby coverage	82.7%	78.7%	81.6%

Nearly 100% of individual and family plan policy holders have lab, x-ray, and emergency room coverage; a vast majority have prescription and chiropractic coverage; and just over a fourth of all IFP plans surveyed have maternity coverage.

Preventative care benefits including OB/GYN, periodic exams, and well baby coverage have very high subscription levels as well.

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Methodology supplement

- 2006 plan data referred to in this report is derived from a sample which includes the following number of individual and family major medical policies purchased through eHealthInsurance that were active in August 2006:
 - Individual Plans: over 115,000
 - Family Plans: over 40,000
 - Children’s Plans: over 8,000 (The number of children’s plans surveyed is a subset of the number of individual plans surveyed.)
- 2005 plan data referred to in this report is derived from a sample which includes the following number of individual and family major medical policies purchased through eHealthInsurance that were active in August 2005:
 - Individual Plans: over 82,000
 - Family Plans: over 35,000
 - Children’s Plans: over 5,000 (The number of children’s plans surveyed is a subset of the number of individual plans surveyed.)
- The number of policies listed above do not represent all of the individual and family major medical policies purchased through eHealthInsurance that were active during the stated time period. For example, some policies were excluded from the survey because eHealthInsurance did not have sufficient benefit or premium data for such policies.
- Maine, Massachusetts, Vermont and West Virginia were excluded from this report because eHealthInsurance did not sell individual and family major medical plans in these states at the time the data for this report was collected.
- Deductibles, specific benefits and related plan features were determined by reviewing the health insurance carrier’s brochure and related plan documents for each plan included in the survey.

Methodology supplement (continued)

- Definitions:
 - An “active” policy is a policy for which eHealthInsurance received a commission payment from the insurance carrier for the relevant month.
 - An “individual plan” is an individual and family major medical policy that has one member.
 - A “family plan” is an individual and family major medical policy that has two or more members.
 - A “children's plan” is an individual and family major medical policy where the primary policy holder is younger than 18.
 - “OB/GYN coverage” means that the policy covers an outpatient visit to a physician's office for an Obstetrics/Gynecology exam such as a PAP or mammogram.
 - “Periodic exam coverage” means that the policy covers an outpatient visit to a physician's office for an annual physical.
 - “Well baby coverage” means that the policy covers regularly scheduled, preventive care services, including immunizations, provided to children up to an age specified by a health insurance company or mandated by a government agency.

Appendix A: 2007 Cost and Benefits Report: State Detail Data (All 50 states)

State	Population (in thousands)	Percent of US population	Percent Uninsured ¹	Average Age: Individual policies	Average Age: Family policies	Av. monthly premium: Individual policies all ages	Av. monthly premium: Family policies	Yearly premium: Individual policies all ages	Yearly premium: Family policies all ages
Alabama	4,532	1.5%	15.2%	\$125	\$1,500	32	\$271	\$3,252	39
Alaska*	659	0.2%	16.5%	\$170	\$2,040	35	\$364	\$4,368	41
Arizona	6,269	2.1%	20.9%	\$126	\$1,512	33	\$274	\$3,288	39
Arkansas	2,758	0.9%	18.9%	\$123	\$1,476	36	\$261	\$3,132	42
California	36,208	12.2%	18.8%	\$139	\$1,668	33	\$357	\$4,284	39
Colorado	4,803	1.6%	17.2%	\$135	\$1,620	34	\$317	\$3,804	41
Connecticut	3,462	1.2%	9.4%	\$156	\$1,872	35	\$394	\$4,728	44
Delaware	862	0.3%	12.1%	\$131	\$1,572	32	\$281	\$3,372	40
District of Columbia*	569	0.2%	11.6%	\$156	\$1,872	33	\$434	\$5,208	40
Florida	18,062	6.1%	21.2%	\$154	\$1,848	34	\$338	\$4,056	41
Georgia	9,347	3.1%	17.7%	\$161	\$1,932	33	\$418	\$5,016	41
Hawaii*	1,255	0.4%	8.8%	\$200	\$2,400	40	\$711	\$8,532	43
Idaho	1,475	0.5%	15.4%	\$107	\$1,284	34	\$234	\$2,808	39
Illinois	12,644	4.3%	14.0%	\$134	\$1,608	33	\$332	\$3,984	41
Indiana	6,337	2.1%	11.8%	\$127	\$1,524	33	\$290	\$3,480	39
Iowa	2,919	1.0%	10.5%	\$98	\$1,176	34	\$212	\$2,544	43
Kansas	2,723	0.9%	12.3%	\$116	\$1,392	29	\$299	\$3,588	39
Kentucky	4,106	1.4%	15.6%	\$115	\$1,380	31	\$320	\$3,840	40
Louisiana	4,212	1.4%	21.9%	\$134	\$1,608	32	\$279	\$3,348	39
Maryland	5,613	1.9%	13.8%	\$142	\$1,704	33	\$362	\$4,344	41
Michigan	9,970	3.4%	10.5%	\$106	\$1,272	33	\$237	\$2,844	41
Minnesota	5,149	1.7%	9.2%	\$130	\$1,560	35	\$321	\$3,852	40
Mississippi*	2,892	1.0%	20.8%	\$152	\$1,824	37	\$283	\$3,396	40
Missouri	5,800	2.0%	13.3%	\$120	\$1,440	31	\$262	\$3,144	41
Montana*	931	0.3%	17.1%	\$132	\$1,584	31	\$319	\$3,828	39
Nebraska	1,767	0.6%	12.3%	\$120	\$1,440	31	\$266	\$3,192	39
Nevada	2,535	0.9%	19.6%	\$168	\$2,016	34	\$384	\$4,608	39
New Hampshire*	1,309	0.4%	11.5%	\$138	\$1,656	29	\$345	\$4,140	43
New Jersey	8,660	2.9%	15.5%	\$277	\$3,324	37	\$707	\$8,484	45
New Mexico	1,943	0.7%	22.9%	\$145	\$1,740	39	\$318	\$3,816	44
New York	19,040	6.4%	14.0%	\$338	\$4,056	44	\$821	\$9,852	49
North Carolina	8,851	3.0%	17.9%	\$142	\$1,704	31	\$342	\$4,104	41
North Dakota*	617	0.2%	12.2%	\$114	\$1,368	26	\$221	\$2,652	35
Ohio	11,319	3.8%	10.1%	\$124	\$1,488	33	\$285	\$3,420	40
Oklahoma	3,492	1.2%	18.9%	\$125	\$1,500	34	\$271	\$3,252	42
Oregon	3,715	1.3%	17.9%	\$144	\$1,728	33	\$323	\$3,876	39
Pennsylvania	12,345	4.2%	10.0%	\$148	\$1,776	31	\$397	\$4,764	40
Rhode Island*	1,054	0.4%	8.6%	\$109	\$1,308	41	N/A	N/A	N/A
South Carolina	4,226	1.4%	15.9%	\$148	\$1,776	35	\$313	\$3,756	43
South Dakota*	770	0.3%	11.8%	\$118	\$1,416	30	\$313	\$3,756	41
Tennessee	5,920	2.0%	13.7%	\$145	\$1,740	32	\$328	\$3,936	40
Texas	23,236	7.8%	24.5%	\$133	\$1,596	32	\$301	\$3,612	39
Utah	2,537	0.9%	17.4%	\$116	\$1,392	31	\$289	\$3,468	34
Virginia	7,538	2.5%	13.3%	\$148	\$1,776	33	\$361	\$4,332	40
Washington	6,318	2.1%	11.8%	\$145	\$1,740	36	\$342	\$4,104	42
Wisconsin	5,476	1.8%	8.8%	\$120	\$1,440	34	\$270	\$3,240	42
Wyoming*	516	0.2%	14.6%	\$125	\$1,500	31	\$360	\$4,320	45
Subtotal	286,741	96.7%		\$148	\$1,776	34	\$344	\$4,128	40

Maine, Massachusetts, Vermont and West Virginia were excluded from this report because eHealthInsurance did not sell individual and family major medical plans in these states at the time that the data for this report was collected.

State	Population (in thousands)	Percent of US population	Percent Uninsured ¹	Average Age: Individual policies	Average Age: Family policies	Av. monthly premium: Individual policies all ages	Av. monthly premium: Family policies	Yearly premium: Individual policies all ages	Yearly premium: Family policies all ages
Maine	1,315	0.4%	9.3%	N/A	N/A	N/A	N/A	N/A	N/A
Massachusetts	6,335	2.1%	10.4%	N/A	N/A	N/A	N/A	N/A	N/A
Vermont	620	0.2%	10.2%	N/A	N/A	N/A	N/A	N/A	N/A
West Virginia	1,814	0.6%	13.5%	N/A	N/A	N/A	N/A	N/A	N/A
Subtotal	10,084	3.4%							
Total US	296,825								

¹Data source of "Percent Uninsured" is US Census Bureau: *Current Population Survey, 2007 Annual Social and Economic Supplement, August 28, 2007*

Note: States denoted with an asterisk (*) do not have a sufficient number of policies to determine the average monthly premium at an 80% confidence level. States denoted with a (+) have 20 or less policies surveyed.

Forrester Supplemental Material

Technology barriers no longer limit access to the wide variety of health insurance options for the uninsured

The opportunity for accessing online health insurance is growing. As the uninsured become more comfortable with technology, interactions via chat and email, and use of Web-based tools, use of the Internet as a resource for healthcare information will increase, opening more avenues of communication between health plans, distributors of health insurance and uninsured consumers.

	2005 uninsured consumer*	2006 uninsured consumer†	2006 average consumer†
Technology optimist	57%	62%	60%
Online five or more years	55%	64%	73%
Has cable or DSL Internet connection	43%	51%	59%
Online daily	74%	75%	81%
Spends 10 or more hours online weekly	71%	70%	68%

Base: US uninsured, online consumers Base: US online consumers

*Source: Consumer Technographics® Q4 2005 North American Healthcare, Customer Experience, And Retail Online Survey

†Source: Forrester's NACTAS Q4 2006 Healthcare Online Survey

Data chart included in the Forrester report: February 2007, Trends, "Reaching The Online, Uninsured Healthcare Consumer"