

**eHealth, Inc.  
2009 Summer Cost Report  
for Individual and Family Policy Holders.**

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## Cost & Benefit Report Methodology:

- The 2009 plan data referred to in this report is derived from a sample that includes the following number of individual and family major medical policies purchased through eHealthInsurance that were active in February 2009:
  - Individual plans: more than 232,682.
  - Family plans: more than 83,898.
- The 2008 plan data referred to in this report is derived from a sample that includes the following number of individual and family major medical policies purchased through eHealthInsurance that were active in February 2008:
  - Individual plans: more than 187,936.
  - Family plans: more than 71,010.
- The premium data in this report is derived from information received from health insurance carriers relating to the actual premiums being paid by policy holders in the months of February 2008 and February 2009. Actual premiums may differ from premiums quoted on the eHealthInsurance website because they represent the premium being paid after underwriting and for policies that were purchased prior to the date of analysis.
- The number of policies listed above does not represent all of the individual and family major medical policies purchased through eHealthInsurance that were active during the stated time period. For example, some policies for which eHealthInsurance did not have sufficient benefit or premium data were excluded from the survey. Plan data listed in this report might change based on additional data received from health insurance carriers at a date later than the active date of the data or later than the published date of this report.
- Maine, Massachusetts, and Vermont 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 were determined by reviewing the health insurance carrier's brochure and related plan documents for each plan included in the survey.
- The data referred to in this report is an aggregation of data reported to eHealthInsurance by health insurance carriers with which eHealthInsurance has an agency relationship. Inaccurate data reported by these health insurance carriers might affect the accuracy of this report.

## The Cost & Benefits of Individual and Family Health Insurance Plans 2009 Update

Privately purchased Individual and Family Health Insurance policies cover approximately 18 million people in America<sup>1</sup> roughly six percent of the population. To provide current information about the nature of individually-purchased health insurance costs and benefits, eHealth, Inc. reviewed 2009 health insurance plan data from a sample of active policies, which includes 232,682\* individual major medical policies and 83,898 family major medical policies purchased through eHealthInsurance that were active in February 2009 and 187,936 individual major medical policies and 70,746 family major medical policies purchased through eHealthInsurance that were active in February 2008.



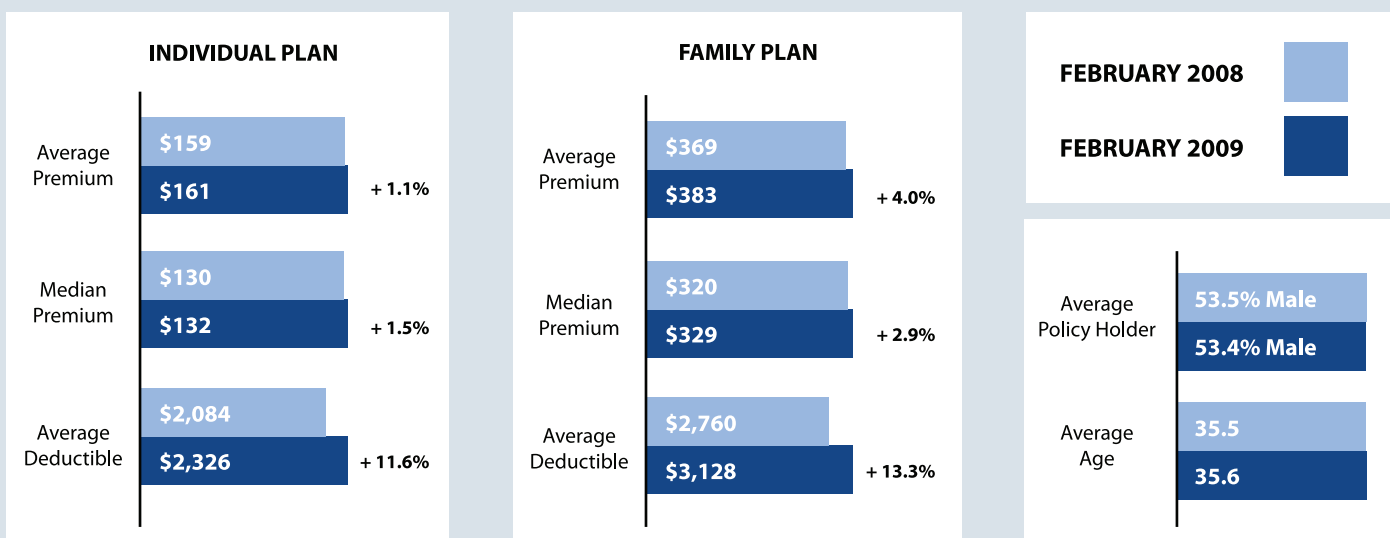
According to the 2009 data, the average individual premium was \$161 per month, the median premium was \$132 per month and the average deductible was \$2,326. The 2009 data also showed that the average family premium was \$383 per month, the median premium was \$329 per month and the average deductible was \$3,128. Fifty-three percent (53%) of the primary individual policy holders were men. The average age of an individual policy holder was 35.6 years old.

### Footnotes:

(\*) Data for Maine, Massachusetts, and Vermont were excluded from this report because eHealthInsurance did not sell enough individual and family major medical plans in these states at the time the data for this report was collected to provide an accurate sample size.

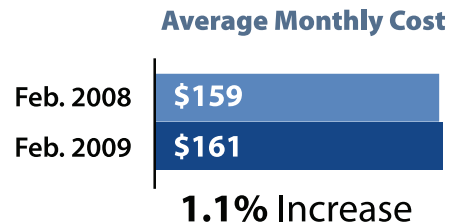
<sup>1</sup>Source: U.S. Census Bureau estimates ("Income, Poverty, and Health Insurance Coverage in the United States: 2007", Issued August 2008).

## Profile of ehealthInsurance Policy Holders



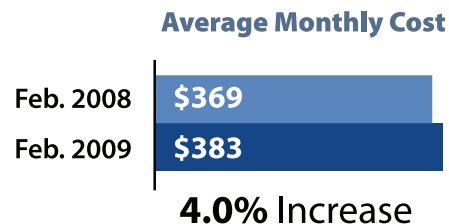
## INDIVIDUAL HEALTH INSURANCE PREMIUMS

In February 2009, the average monthly premium being paid for individually-purchased health insurance was \$161 for individuals. In February 2008, the average premium being paid for individuals was \$159. Average premiums for individual policies increased 1.1 percent between February 2008 and February 2009.



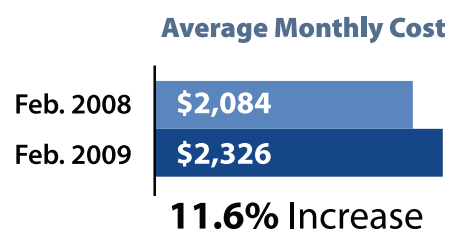
## FAMILY HEALTH INSURANCE PREMIUMS

In February 2009, the average annual premium being paid for individually-purchased health insurance was \$383 per month for family coverage. In February 2008, the average premium being paid was \$369 for families. Average premiums for family policies increased 4.0 percent between February 2008 and February 2009.



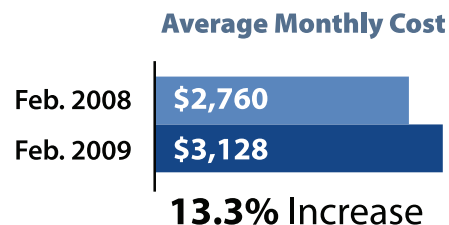
## INDIVIDUAL HEALTH INSURANCE DEDUCTIBLES

In February 2009, the average annual deductible for active individually-purchased health insurance was \$2,326 for individuals. In February 2008, the average deductible for individuals was \$2,084. Average deductibles for individual policies increased 11.6 percent between February 2008 and February 2009.



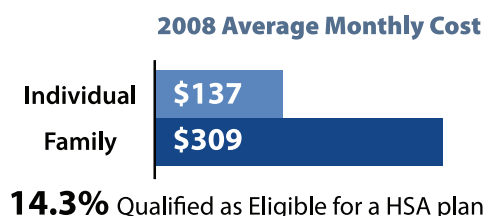
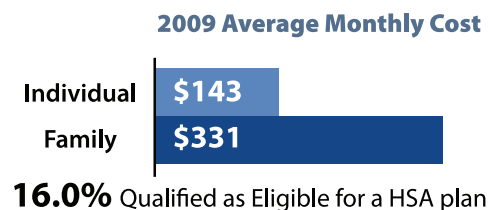
## FAMILY HEALTH INSURANCE DEDUCTIBLES

In February 2009, the average annual deductible for active individually-purchased health insurance was \$3,128 per month for family coverage. In February 2008, the average deductible was \$2,760 for families. Average deductibles for family policies increased 13.3 percent between February 2008 and February 2009.



## HSA ELIGIBLE PLANS

- In February 2009, Sixteen percent (16%) of active individually-purchased health insurance plans were eligible for Health Savings Accounts (HSA). At that time, the average monthly premium on active HSA-eligible individual health insurance plans was \$143 per month, and \$331 for family plans.
- In February 2008 fourteen-point-three percent (14.3%) of individually-purchased health insurance plans were HSA eligible. At that time, the average monthly premium on active HSA-eligible individual health insurance plans was \$137 per month, and \$309 for family plans.



## Understanding the differences between individual health insurance and employer-sponsored coverage

This latest eHealth Cost of Individual and Family Health Insurance Plans 2009 Update provides a subset of the data eHealth publishes in its annual Cost & Benefits Report. eHealth has been publishing studies like this since 2001 with the goal of providing a nationwide perspective on cost and benefit trends in the individual health insurance market, based on an analysis of a large, geographically distributed sample of insurance policies purchased through eHealthInsurance. It is estimated that 18 million Americans are covered through individual plans<sup>1</sup>.

The cost of individual health insurance policies reported in our study differs significantly from the cost of employer-sponsored health insurance coverage due to several differences between the individual market and the employer-sponsored market, which may impact the premiums that consumers experience. Many of these factors could be impacted by proposed health care reform legislation.

### Some of those differences include:

#### Guaranteed Issue:

Every employee who applies for health insurance through their employer is granted coverage. But, in the individual market, with the exception of a few states, plans are medically underwritten and applicants can be denied coverage when they apply. Limiting access to the individual market keeps premium costs down.

#### Tax Exemption:

Health insurance premiums are not tax-deductible for individuals or families purchasing coverage on their own, but they are tax-deductible for companies that pay for health insurance coverage for employees.

#### Benefits:

Individual market plans offer comparable benefits to employer plans: hospitalization, emergency room coverage, lab x-ray, maternity care, OB/GYN coverage, physician visits, pharmaceutical coverage, and preventative care. The majority of plans surveyed in our 2008 report entitled, "Cost And Benefits Of Individual And Family Health Insurance Plans," include most of these benefits. In the individual market the level of benefits is typically selected by the consumer based on their individual needs.

#### Methodology:

The 2008 and 2009 plan data referred to in The Cost of Individual and Family Health Insurance Plans 2009 Update is derived from over 258,000 active individual and family (IFP) major medical policies purchased through eHealthInsurance that were active in February 2008 and 316,000 policies that were active in February 2009. The report analyzes monthly premiums paid on individual and family major medical health insurance policies in 2008 and 2009.

For more information on methodology, please refer to the report at [www.eHealthInsurance.com](http://www.eHealthInsurance.com).

Click on the "About Us" link at the bottom of the webpage. Then select the "Research" tab and look for this report under "Company-issued Reports"

#### Footnotes:

<sup>1</sup>Source: U.S. Census Bureau estimates ("Income, Poverty, and Health Insurance Coverage in the United States: 2007", Issued August 2008).