

Short-Term Health Insurance Policy Holder Survey



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Introduction and Methodology

eHealth, Inc.'s Short-term Health Insurance Policy Holder Survey explores attitudes towards short-term health insurance products among those who purchase them. The survey asks what makes short-term products appealing to consumers, why they purchased short-term coverage rather than traditional policies, and whether or not they believe short-term plans will meet their coverage requirements under the Affordable Care Act in 2014.

Short-term health insurance products are designed to provide consumers with protections against unforeseen medical bills, typically for a period of between one and twelve months. Short-term health insurance policies are not major medical health insurance plans. They may not provide coverage for pre-existing medical conditions, preventive medical care, or prescription drugs. However, they are typically easier to qualify for, tend to be relatively affordable, and often meet the temporary coverage needs of many consumers.

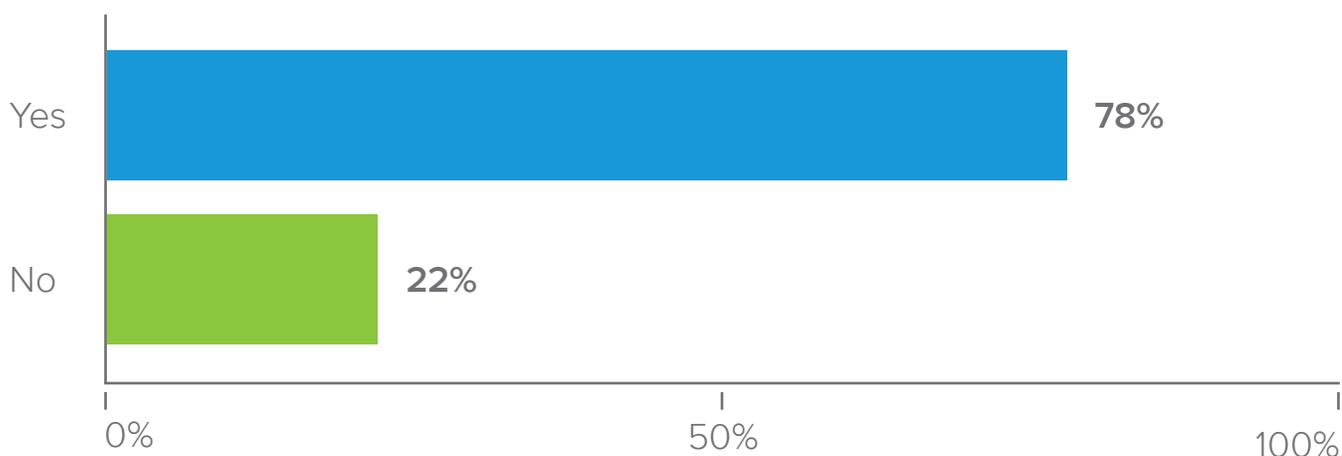
eHealth invited short-term policy holders who had purchased coverage through the company's website (www.eHealth.com) and who still had coverage in effect to participate in the survey. The anonymous survey was conducted online by email invitation in March 2013. Responses from a total of 261 short-term policy holders were collected for the survey.

Survey Results and Charts

Attitudes towards Short-term Coverage

In the following questions, the survey sought to determine whether or not consumers were actively seeking short-term coverage when shopping, and what they were most pleased by with their short-term health insurance policies.

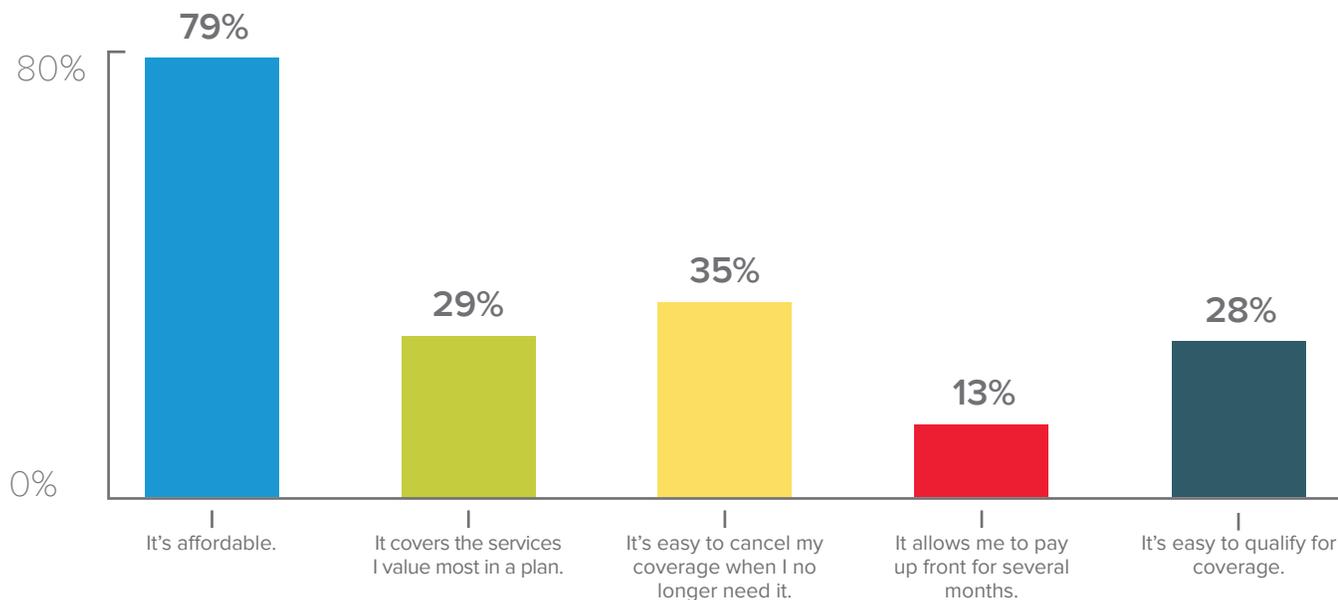
Were you actively looking for short-term health insurance before you visited eHealth.com, where you bought your current plan?



- More than three quarters of policy holders (78%) were actively searching for short-term coverage when shopping for health insurance.
- More than two-in-ten say (22%) they were originally seeking some other form of coverage.

Attitudes towards Short-term Coverage (cont.)

What do you like most about your short-term coverage? (Select all that apply.)

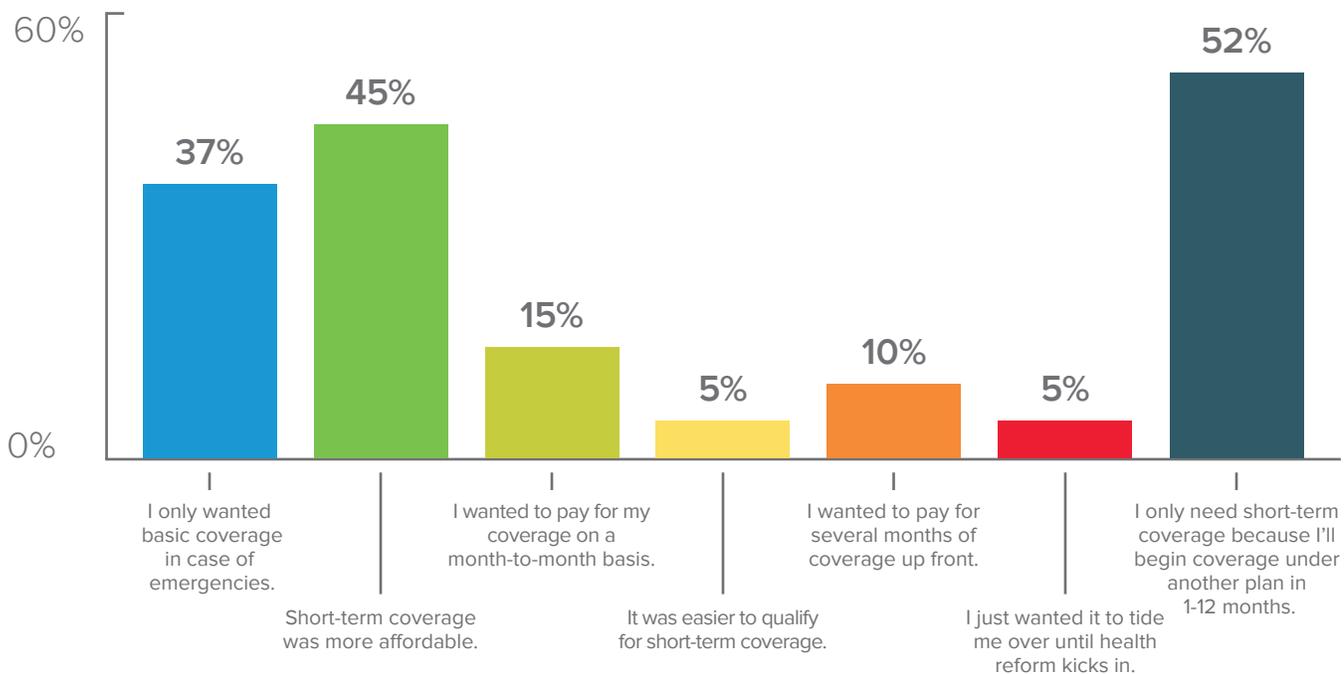


- More than three quarters (79%) of short-term policy holders like the relative affordability of short-term coverage most.
- Over a third (35%) say they like the ease of canceling their short-term coverage when they no longer need it. (In fact, it's no more difficult to cancel an individually purchased traditional major medical policy than a short-term policy.)
- Almost three-in-ten policy holders (29%) say that short-term plans cover the medical services they value most.
- A similar number (28%) liked that it was relatively easy to qualify for short-term coverage.
- Only 13% liked the fact that with some short-term plans you can pre-pay for several months up front.

Short-term Coverage vs. Traditional Health Insurance

Traditional major medical health insurance policies provide a broader range of benefits and richer coverage compared to short-term health insurance policies. Why do short-term health insurance policy holders choose short-term coverage rather than traditional major medical coverage? How many of them turn to short-term coverage as an alternative to traditional major medical coverage? The following survey results explore these questions.

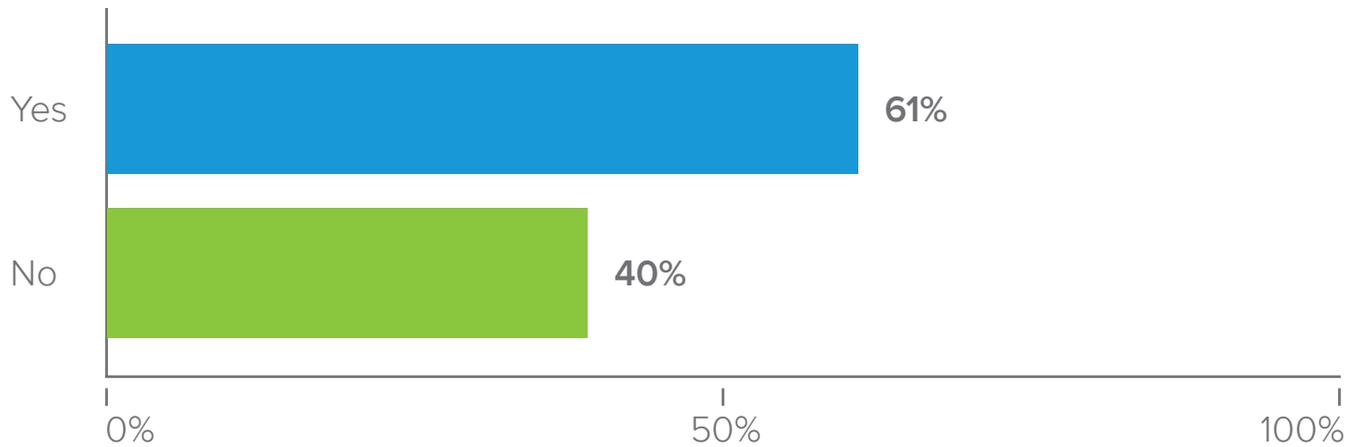
Why did you choose to purchase short-term coverage rather than a traditional health insurance plan? (Select all that apply.)



- More than half of short-term policy holders (52%) chose short-term coverage because they'll begin coverage under another health insurance plan within 1-12 months.
- Somewhat fewer (45%) say they chose short-term coverage because it was more affordable than traditional major medical coverage
- More than a third (37%) chose short-term coverage because they only wanted basic coverage in case of emergencies.
- 15% of policy holders chose short-term because they wanted to pay for their coverage on a month-to-month basis. (In fact, major medical health insurance policies are also paid for on a month-to-month basis.)

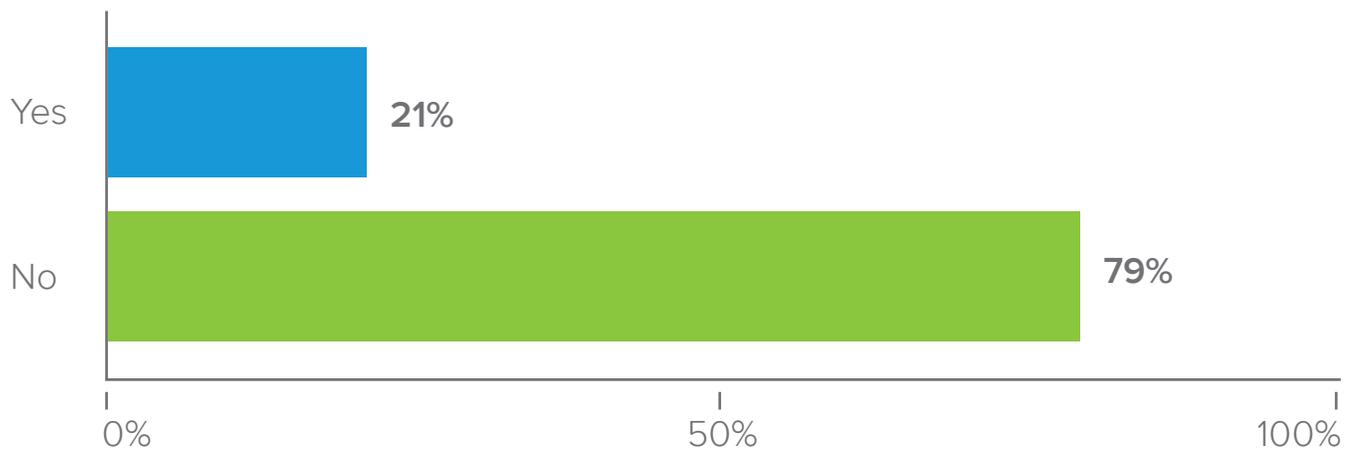
Short-term Coverage vs. Traditional Health Insurance (cont.)

When shopping for health insurance, did you consider purchasing a traditional major medical health insurance plan instead of a short-term plan?*



- Most short-term policy holders (61%) considered purchasing a traditional major medical health insurance plan before selecting short-term coverage.

Did you apply for a traditional individual or family health insurance plan first before applying for short-term coverage?

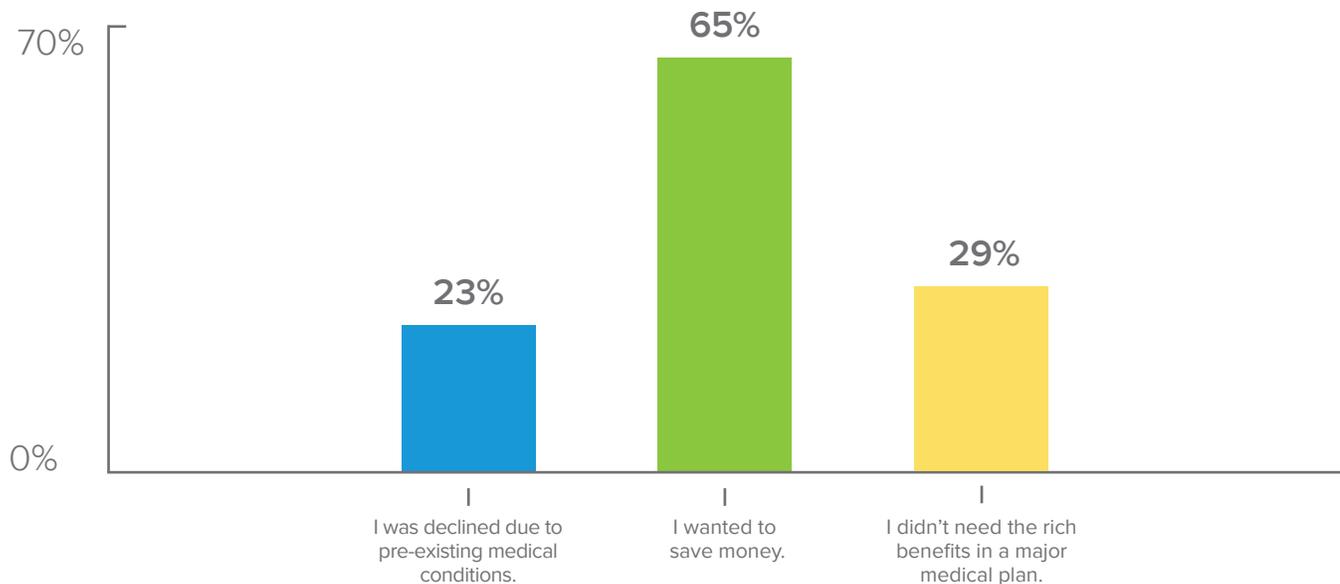


- Despite the fact that most short-term policy holders considered purchasing a traditional major medical health insurance plan, only two-in-ten (21%) actually applied for a traditional major medical health insurance plan before purchasing short-term coverage.

*Total of combined responses exceeds 100% due to rounding.

Short-term Coverage vs. Traditional Health Insurance (cont.)

If you applied for traditional health insurance plan first, why did you opt for short-term coverage in the end? (Choose all that apply.)

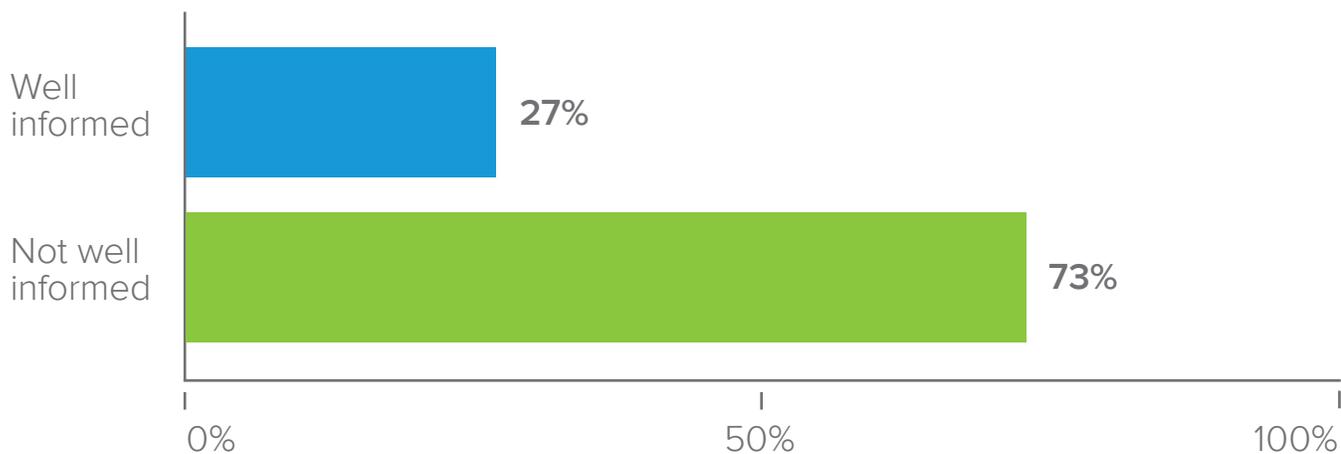


- Of those who applied for traditional major medical health insurance coverage before purchasing a short-term policy, the majority (65%) chose short-term coverage because they wanted to save money.
- Nearly three-in-ten (29%) said they opted for short-term coverage because they felt they didn't need the richer benefits provided by a traditional major medical health insurance plan.
- Almost a quarter (23%) of those who applied for traditional major medical health insurance before buying a short-term plan purchased the latter because they were declined for major medical coverage due to pre-existing medical conditions.

Health Reform and Short-term Coverage

Beginning in 2014, most consumers who do not get health coverage through an employer will be required to purchase coverage on their own or pay a tax penalty. Some health plans available today – including short-term plans – will not meet the coverage requirements outlined in the Affordable Care Act. As demonstrated by the following questions, most short-term policyholders do not understand how health reform affects their coverage options.

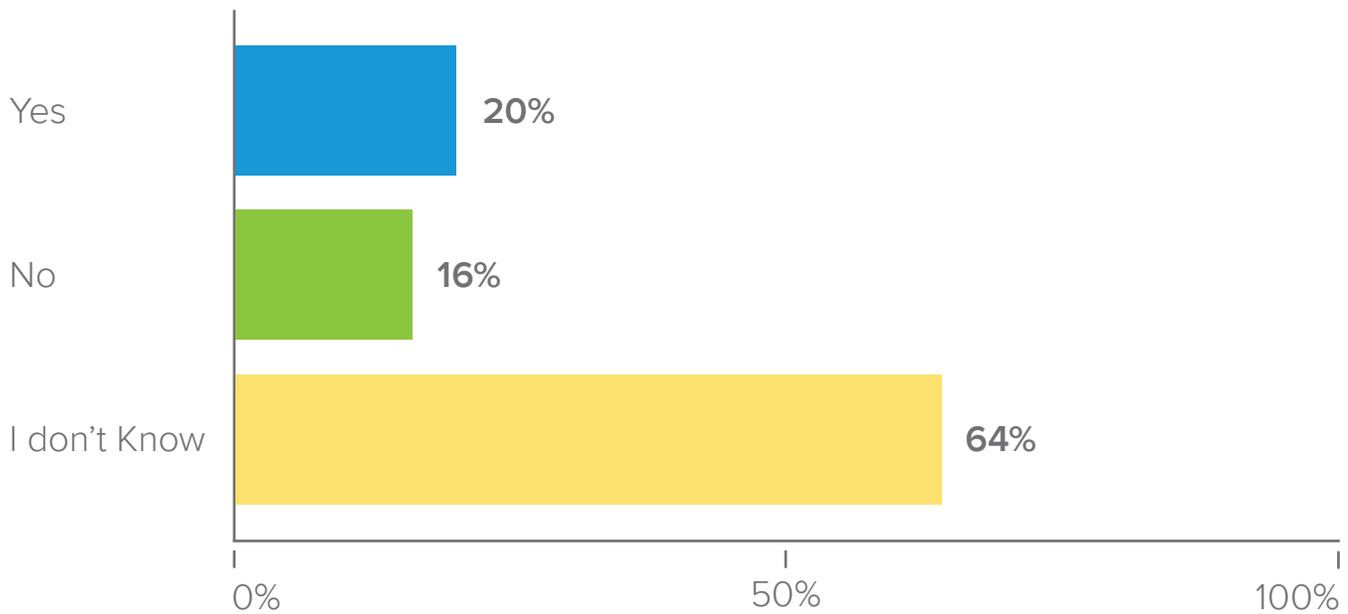
How well informed do you consider yourself on the health reform law (the Affordable Care Act, also known as “Obamacare”)?



- Nearly three quarter of short-term policy holders (73%) consider themselves not well informed about the Affordable Care Act.
- Slightly over one quarter (27%) of short-term health insurance policy holders consider themselves well informed about the Affordable Care Act.

Health Reform and Short-term Coverage (cont.)

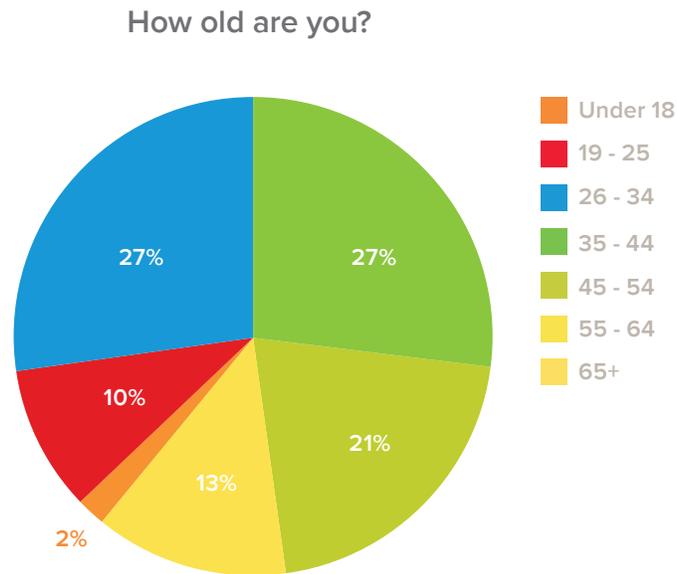
Do you believe that short term health insurance will fulfill your coverage requirements under the health reform law in 2014?



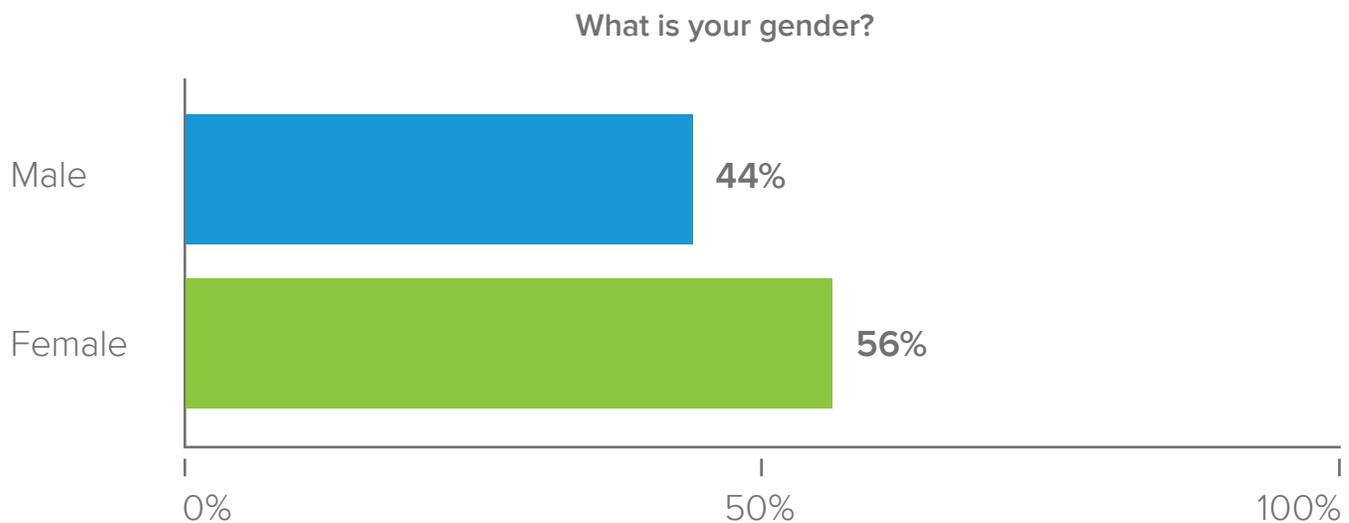
- Two-in-ten short-term policy holders believe (incorrectly) that their short-term plans will meet the coverage requirements of the Affordable Care Act in 2014.
- Almost two thirds (64%) of policy holders do not know whether their short-term plans will meet the coverage requirements of the Affordable Care Act in 2014.

Policy Holder Demographics

According to survey results, purchasers of short-term health insurance policies tend to be relatively young and are more likely to be women than men.



- More than one third of short-term policy holders (37%) fall between the ages of 19 and 34.
- More than one quarter of short-term policy holders (27%) are between the ages of 35 and 44.



- Short-term health insurance policy holders are more likely to be women than men.

Media Contacts

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