



eHealth Price Index

Trends and Costs in the Short-Term Health Insurance
Market, 2013 and 2014

June 2015

INTRODUCTION

In this report, eHealth provides an analysis of consumer shopping trends and premium costs in the individual and family short-term health insurance market on both a nationwide and state-by-state basis. The data presented is based solely on short-term health insurance plans selected by eHealth customers on eHealth's website during the 2013 and 2014 calendar years.

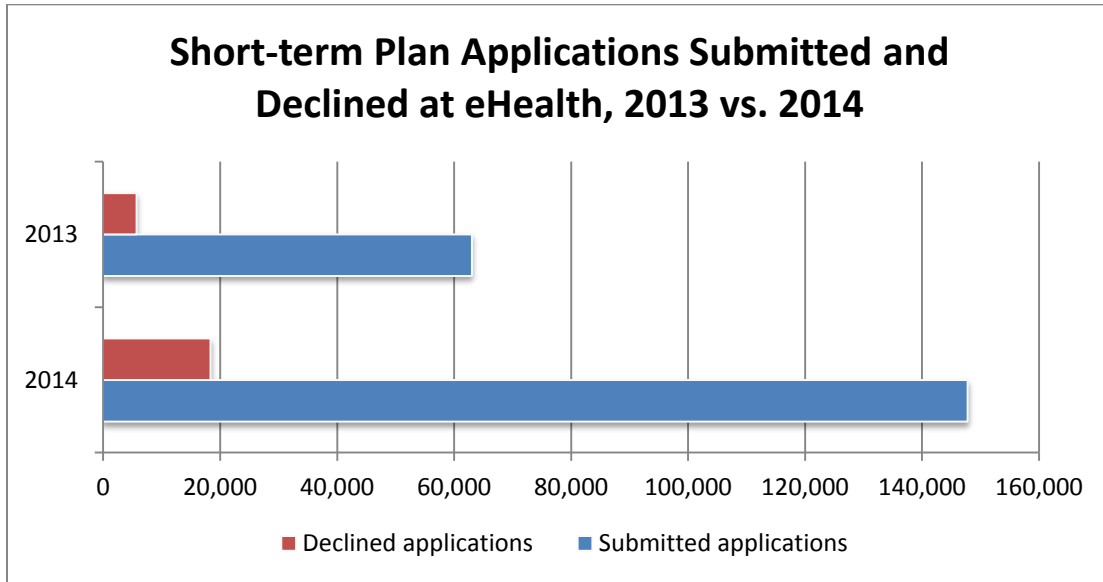
Short-term health insurance plans are designed to meet the temporary coverage needs of certain consumers (for example, those moving to a new job with a gap in coverage between two employer-based health plans) but do not offer a permanent alternative to major medical health insurance. Short-term plans do not meet the coverage requirements of the Affordable Care Act and may leave enrollees open to federal tax penalties. Short-term plans typically do not provide coverage for preventive care or pre-existing medical conditions and it is possible to be declined coverage based on an applicant's personal medical history. Nonetheless, the popularity of short-term health insurance at eHealth increased markedly during 2014 in the wake of the Affordable Care Act.

The increased popularity of short-term health insurance plans at eHealth in 2014 may possibly be ascribed to at least two factors. First, as demonstrated in this report, short-term health insurance plans are typically less expensive than major medical health insurance. People who find themselves unable to afford major medical coverage may turn to short-term coverage instead. Second, consumers in 2014 were generally unable to purchase major medical coverage outside of the Affordable Care Act's nationwide open enrollment period unless they experienced a qualifying life event. Without a qualifying event, shoppers may have turned to short-term coverage as a second-best alternative.

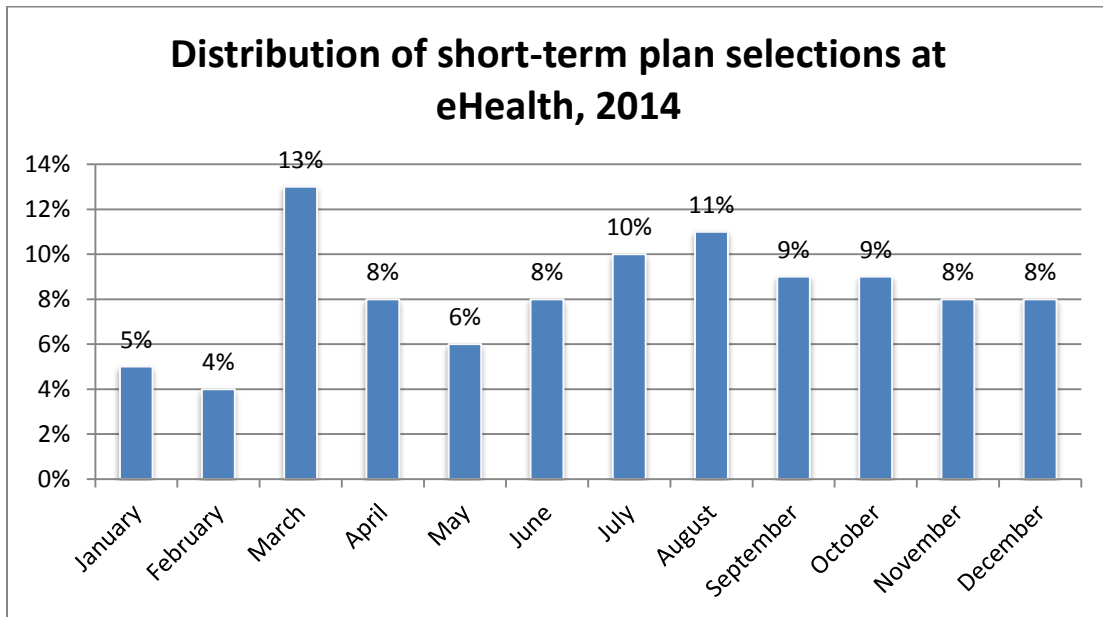
To provide context and color for the short-term health insurance data provided here, responses collected from a survey of eHealth's short-term health insurance customers have been incorporated into this report. So also have average premiums for individual and family major medical plans, as recently reported in eHealth's Health Insurance Price Index Report, published on March 25, 2015.

Information included in this report is based on shopping trends at eHealth.com only and does not provide a comprehensive view of short-term health insurance trends on a national or state basis. Only plans available for purchase at eHealth.com were included. Not all plans available in a particular state are available through eHealth. As such, statistics derived from shopping trends at eHealth may not be representative of the entire insurance market in a state or other geographical area. For additional information on the data presented here, refer to the methodology note at the end of this report or contact eHealth's media relations team.

NATIONAL SHORT-TERM PLAN SELECTION AND COST DATA

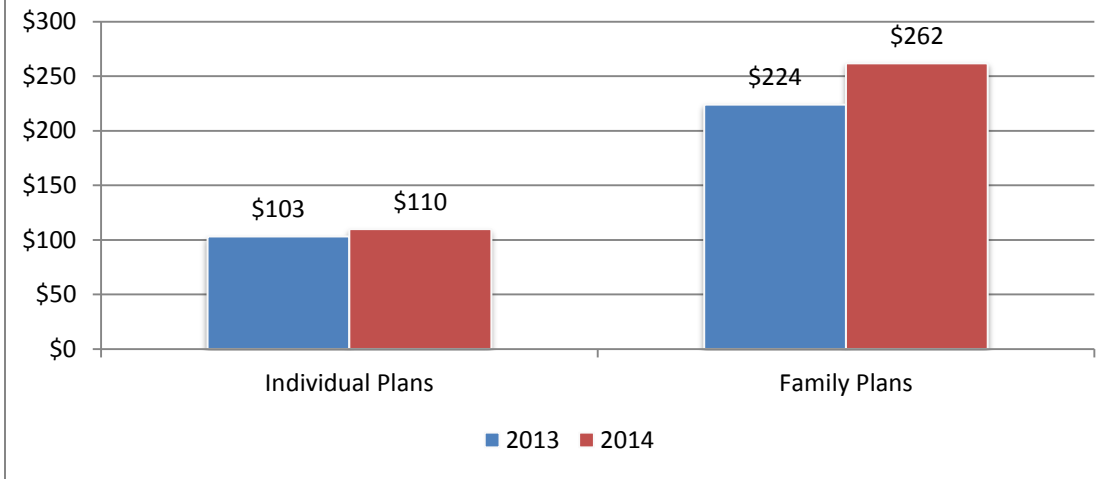


- The popularity of short-term health insurance plans increased more than 130% year-over-year.
- In 2013, 9% of all submitted short-term applications were declined; 12% were declined in 2014.



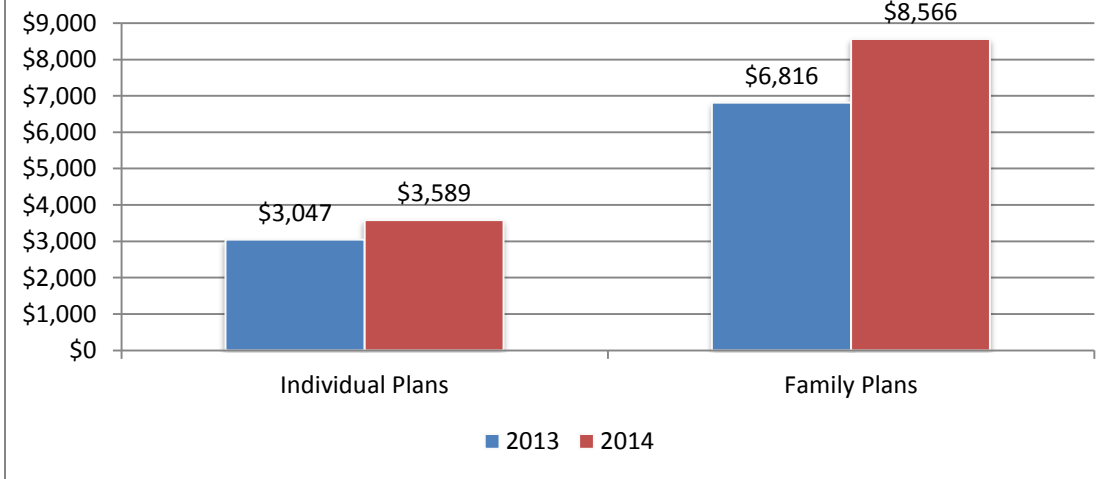
- More than half (61%) of all short-term plan selections occurred in months outside of the nationwide open enrollment periods for major medical coverage.
- The 2014 open enrollment period (OEP) for major medical plans ran October 1, 2013 - March 31, 2014; the 2015 OEP ran November 15, 2014 - February 15, 2015.

National Average Premiums for Short-Term Health Insurance Plans at eHealth, 2013 vs. 2014



- Between 2013 and 2014, average monthly premiums for short-term plans increased 7% for individuals (from \$103 to \$110) and 17% for families (from \$224 to \$262).
- By comparison, average premiums for major medical plans selected during the 2015 open enrollment period were \$286 per month for individuals and \$727 for families¹.

National Average Deductibles for Short-Term Health Insurance Plans at eHealth, 2013 vs. 2014



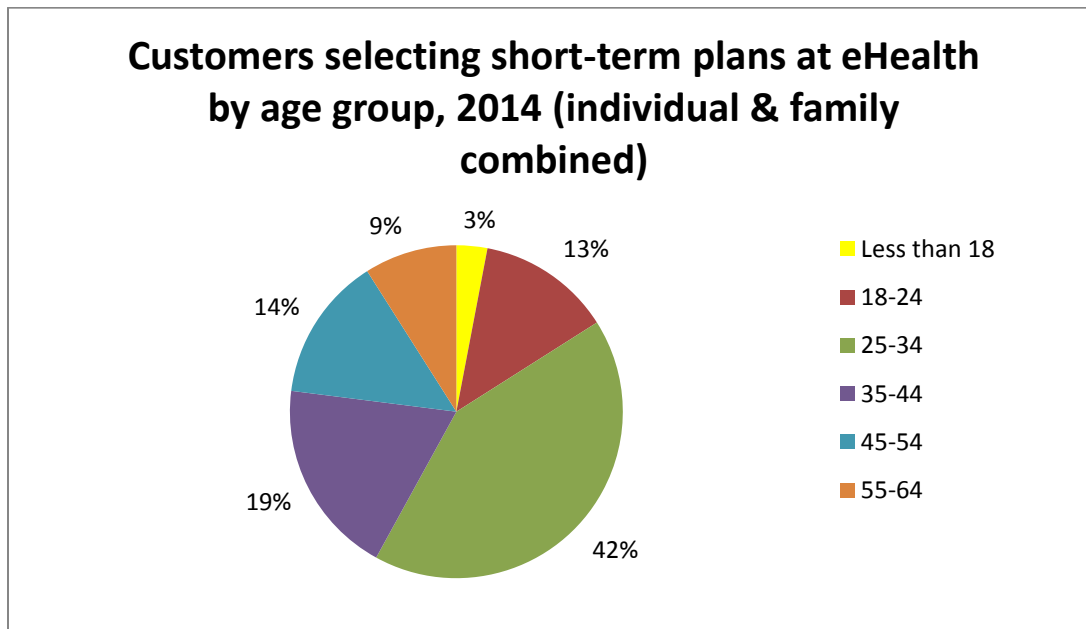
- Between 2013 and 2014, average deductibles for short-term plans increased 18% for individuals (from \$3,047 to \$3,589) and 26% for families (from \$6,816 to \$8,566).
- By comparison, average deductibles for major medical plans selected during the 2015 open enrollment period were \$4,120 per month for individuals and \$7,760 for families¹.

AVERAGE PREMIUMS AND DEDUCTIBLES FOR SHORT-TERM PLANS AT EHEALTH BY STATE IN 2014²

	Avg. Individual Premium	Avg. Individual Deductible	Avg. Family Premium	Avg. Family Deductible
AK	\$137	\$3,611	\$317	\$6,149
AL	\$84	\$4,063	\$215	\$8,738
AR	\$91	\$4,359	\$190	\$10,269
AZ	\$103	\$3,866	\$199	\$9,393
CA	\$161	\$4,459	\$419	\$10,479
CO	\$99	\$3,044	\$249	\$7,701
CT	\$125	\$3,614	\$307	\$9,331
DC	\$89	\$2,593	\$183	\$7,122
DE	\$90	\$3,141	\$277	\$7,084
FL	\$124	\$4,250	\$302	\$10,964
GA	\$85	\$3,299	\$192	\$7,319
HI	\$88	\$3,152	\$276	\$7,415
IA	\$96	\$4,161	\$199	\$11,048
ID	\$88	\$3,672	\$236	\$8,460
IL	\$107	\$3,527	\$258	\$6,612
IN	\$99	\$3,442	\$226	\$9,655
KS	\$79	\$3,384	\$192	\$7,491
KY	\$92	\$2,664	\$196	\$6,063
LA	\$99	\$3,467	\$264	\$7,967
MA	NA	NA	NA	NA
MD	\$98	\$3,425	\$264	\$5,395
ME	\$81	\$3,745	\$171	\$8,565
MI	\$86	\$3,568	\$220	\$8,196
MN	\$78	\$1,946	\$205	\$4,392
MO	\$84	\$3,720	\$198	\$9,585
MS	\$100	\$4,415	\$205	\$11,204
MT	\$104	\$3,314	\$234	\$8,423
NC	\$94	\$4,302	\$216	\$11,549
ND	\$98	\$3,847	NA	NA
NE	\$101	\$3,142	\$224	\$8,886
NH	\$111	\$3,551	\$257	\$8,045
NJ	NA	NA	NA	NA
NM	\$105	\$2,582	\$245	\$7,157

NV	\$113	\$3,305	\$281	\$8,218
NY	NA	NA	NA	NA
OH	\$89	\$3,581	\$200	\$9,974
OK	\$93	\$3,571	\$213	\$8,583
OR	\$107	\$2,635	\$263	\$6,623
PA	\$108	\$3,891	\$251	\$8,887
RI	\$99	\$4,101	\$203	\$9,123
SC	\$103	\$2,751	\$228	\$6,296
SD	\$79	\$3,438	\$184	\$7,936
TN	\$90	\$4,209	\$205	\$11,230
TX	\$116	\$3,442	\$280	\$8,767
UT	\$76	\$2,572	\$193	\$6,181
VA	\$103	\$3,306	\$247	\$9,608
VT	NA	NA	NA	NA
WA	\$139	\$2,228	\$326	\$3,490
WI	\$101	\$3,523	\$241	\$6,826
WV	\$104	\$3,330	NA	NA
WY	\$130	\$2,534	\$204	\$7,297

SHOPPER DEMOGRAPHICS: SHORT-TERM COVERAGE



- Young adults in the 18-34 age groups accounted for more than half (55%) of all customers selecting short-term plans in 2014.

SHORT-TERM VS MAJOR MEDICAL COVERAGE

- In a recent survey of customers who purchased short-term health insurance through eHealth, nearly two-thirds of respondents (63%) said that they had considered purchasing a major medical health insurance plan before purchasing short-term health insurance³.

METHODOLOGY NOTE

The information presented in this report is based solely on short-term health insurance applications submitted by consumers shopping at eHealth.com during the 2013 and 2014 calendar years. As such, it presents a snapshot of the short-term health insurance market rather than a comprehensive survey of shopping trends nationwide or in every state. Only short-term products available for purchase through eHealth.com are included. Plans available in a state may not be available throughout the entire state, so statewide statistics may not be representative of the plans available in any geographical area within a state. For additional details, please refer to the footnotes below and to the methodology section of eHealth's Health Insurance Price Index report, published March 25, 2015.

Footnotes

¹ See eHealth's March 25, 2015 [Health Insurance Price Index report](#) for details and methodology information.

² "NA" indicates fields where fewer than 100 submitted short-term applications were made during the 2014 calendar year.

³ Based on a voluntary survey of eHealth customers who purchased short-term health insurance plans through eHealth.com. The survey was conducted between April 6 – April 18, 2015 and a total of 585 responses were collected.

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