An affordable approach to employee healthcare

INTRODUCING

eHealth® BusinessHSA

Employers control their health costs. **Employees** control their health care.

TO SMALL BUSINESS OWNERS

eHealth was founded over 10 years ago to make it easier for individuals and small businesses to learn about, apply for and purchase health insurance. Since that time, we have spent countless hours working with our small business clients learning about and meeting their needs. We have leveraged our technology and agent expertise to provide small businesses with the best service and selection of group health insurance products. We have also learned that while most small businesses want to sponsor a small group health insurance plan for their employees, it's just too expensive.

As a result, a growing number of our business clients and their employees are turning to the individual and family health insurance market for solutions. These customers also prefer the efficiency of an online platform. That is why we developed the BusinessHSA program — to provide employers with a simple and cost-effective way to assist their employees with their health care costs. BusinessHSA combines the affordability of individual and family health insurance plans, the tax-advantaged savings of Health Savings Accounts, and the efficiency of the Internet to provide a comprehensive online health care solution for our small business customers.

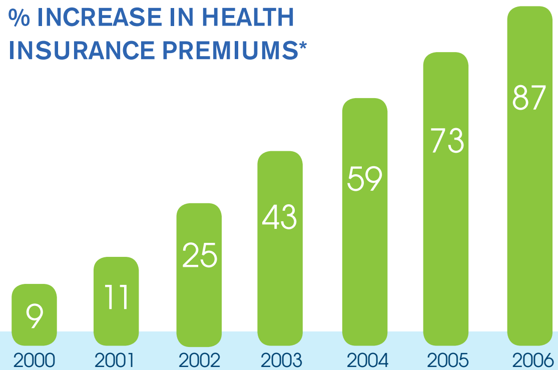
Our primary goal is and always has been to help our customers find the health insurance solutions that are best for them. We encourage you to learn more about the many ways the BusinessHSA program can benefit you and your workforce.

To Your Health,

Gary Lauer Chairman and CEO

At eHealth, many of the small business owners we talk to wish they could provide health insurance for their employees but simply can't afford it. They're not alone: rising insurance costs are hurting businesses of all sizes.

% INCREASE IN HEALTH INSURANCE PREMIUMS*



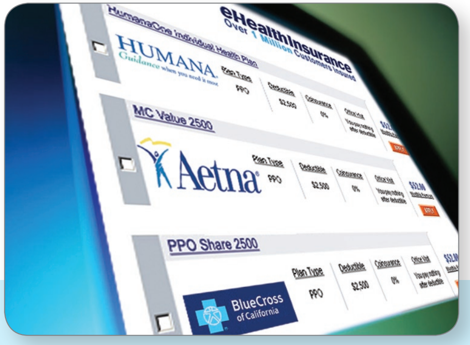
The average cost of group health insurance has risen 87% since 1999. Increasing costs have put group health coverage out of reach for many employers.
**Source: Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2000-2006*

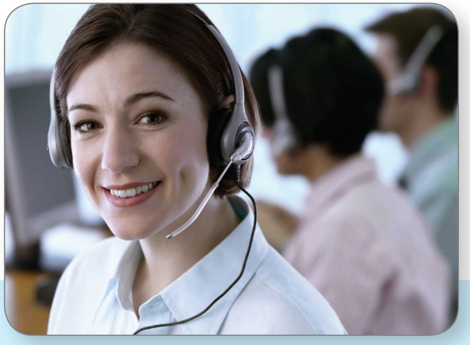
What happens when small businesses are priced out of the group health insurance market? Too often, employers and employees both join the ranks of America's 48 million uninsured.

Over 1 Million Customers Insured Nationwide

eHealth is an online health insurance agency providing the broad selection and innovative shopping tools you need to find affordable, quality health insurance.

Since 1997, eHealth has been hard at work reshaping an industry and changing the way Americans think about and purchase health insurance.





PIONEERING TECHNOLOGY

- Brought health insurance into the Internet age with first-ever online sale of a health policy in 1997
- Developed smart applications, electronic signatures and online application delivery to speed up the approval process
- Created comparison, Plan Advisor, and Doctor Finder tools to make insurance shopping simple and intuitive

HELPING CONSUMERS

- Partnered with over 175 leading health insurance carriers to offer customers the best selection nationwide
- Experienced, licensed insurance agents with local expertise provide unbiased advice and support
- Personal customer care and shopping assistance available 24/7 by secure online chat, email or telephone

BusinessHSA—An Affordable Approach to Employee Healthcare

HOW DOES AN HSA WORK?

HSA ADVANTAGES

HSAs are designed to help make healthcare more affordable for today's consumers by:

- Leveraging high-deductible health plans that typically offer lower monthly premiums
- Providing specific tax advantages
- Allowing employers to contribute to employee HSAs to help them cover the cost of medical care

HOW HSAs WORK

HSA participants must obtain two products designed to work together:

- An HSA-eligible health insurance plan, and
- A Health Savings Account

Tax-free dollars are deposited into the Health Savings Account and then used to pay for a broad range of qualifying medical expenses.

At eHealth, we listened to customer concerns about the cost of group health insurance and saw the power of HSAs. That's what led us to design a new approach to employee healthcare…

Introducing eHealth® *BusinessHSA*

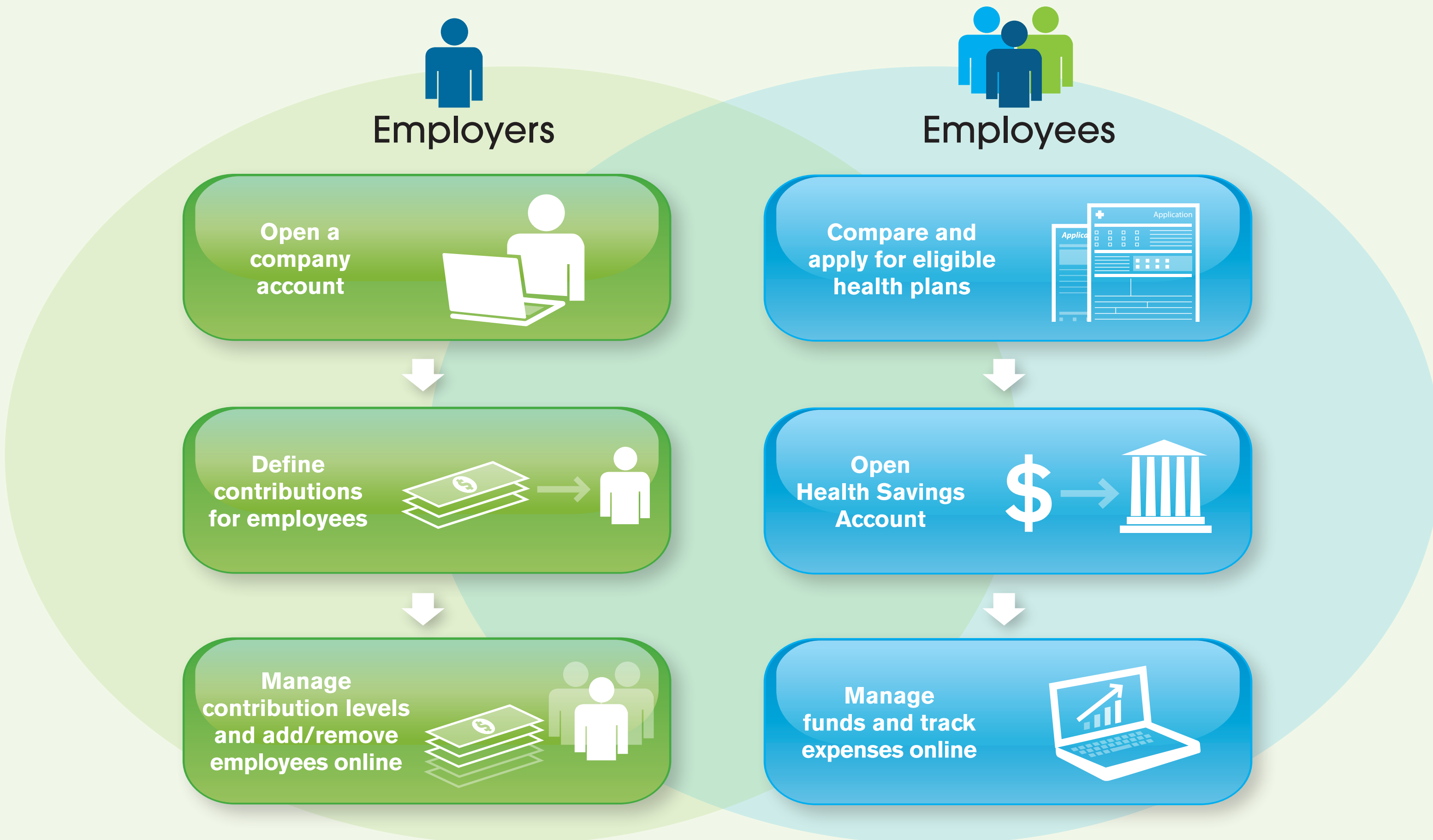
BusinessHSA is an affordable way to assist employees with their healthcare costs, without sponsoring a group health insurance plan.

Utilizing employee-owned Health Savings Accounts, *BusinessHSA* integrates individual health insurance purchased by employees with voluntary pre-tax contributions made to their accounts by employers at a level they select.

Call today to learn more 866.471.7622

...Designed with you in mind

BusinessHSA gives you control of your healthcare expenses, while giving your employees control of their health insurance. It enables you to provide healthcare assistance at a level you can afford, while providing your employees with the selection and shopping tools they need to find an affordable health insurance plan.



Employer Benefits

Even if traditional group health insurance is beyond your reach, offering healthcare assistance through *BusinessHSA* can help you hire and retain the best workers. And that's just one of the benefits *BusinessHSA* provides.

BusinessHSA IS AFFORDABLE

Controlled Expenses

- You decide how much you can afford to contribute
- Minimum contribution level per employee: $25 per month
- Contributions are deductible from federal taxes

Predictable budgeting

- No need to absorb insurance premium increases every year
- Plan for the future knowing what your healthcare budget will be

Joe's Coffee Shop 2008

EMPLOYEES	Q1	Q2	Q3	Q4	2007 Contributions	2008 Contributions
JOHN SWENSON	$750	$750	$750	$750	$3,000	$3,000
MARY VICTORS	$750	$750	$750	$750	$3,000	$3,000
SUSAN LANDRY	$750	$750	$750	$750	$3,000	$3,000
ANDY COLEMAN	$750	$750	$750	$750	$3,000	$3,000
TOTALS:	**$3000**	**$3000**	**$3000**	**$3000**	**$12,000**	**$12,000**

BusinessHSA IS EASY TO MANAGE

No staff required to administer the program

- Employees manage their own healthcare
- Service and support provided by licensed eHealth agents

No need to select one plan to fit all employees

- Each employee selects the best plan for his or her needs
- All billing issues are managed by employees

No tax season headaches

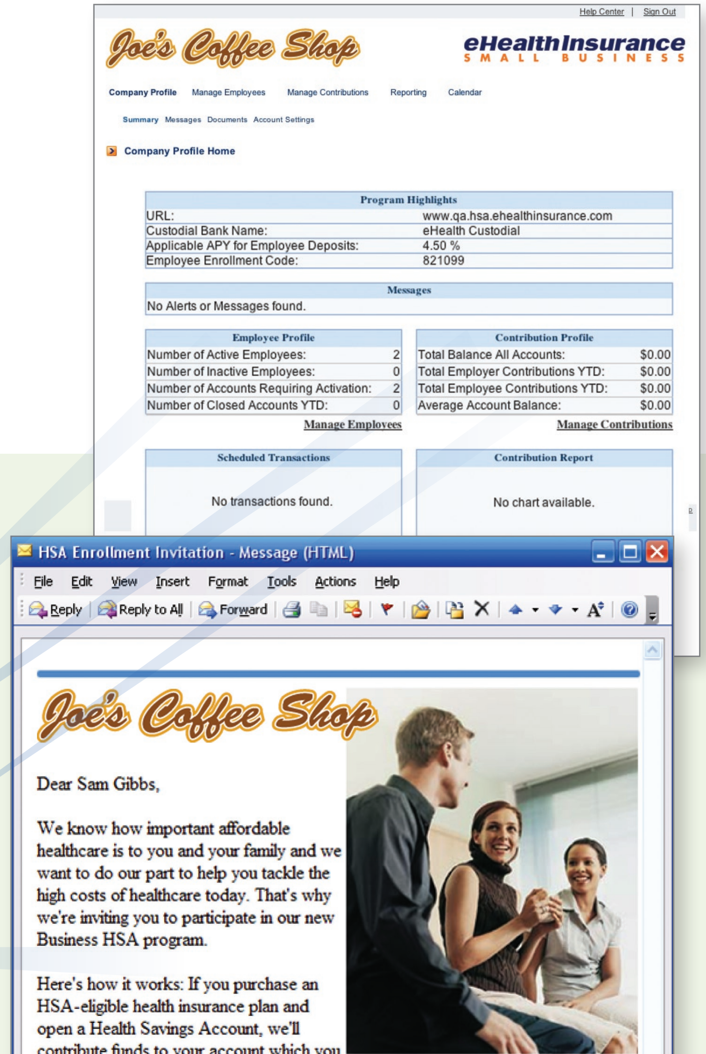
- Tax documents are automatically prepared for you

THE POWER OF YOUR OWN PORTAL

eHealth *BusinessHSA* provides you with a unique online portal for your business. Secure and custom-designed, your portal can only be accessed by you or those you designate.

Through your secure online portal, you can:

- Add or delete employees easily
- Define your pre-tax contributions
- Adjust your contribution levels as needed
- Send email notices and information to your employees

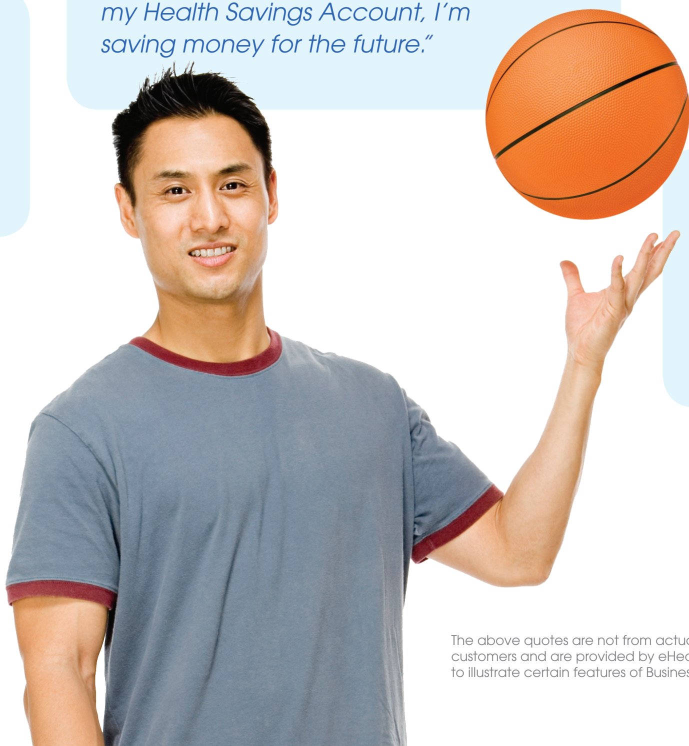


Employee Benefits

By making health insurance and healthcare more affordable, *BusinessHSA* can boost overall employee job satisfaction, well-being and financial security. Not only will your employees appreciate the generous contributions you provide, they'll also gain easy access to leading health insurance carriers and the tax advantages of Health Savings Accounts.

HARDING FAMILY: *"We found a plan with coverage for well-child visits and generous preventive care benefits. We're using our Health Savings Account funds to pay for copayments and deductibles."*

DAVE, AGE 22: *"I'm single and healthy. So I chose a plan without maternity benefits or prescription drug coverage. With my company's contributions to my Health Savings Account, I'm saving money for the future."*



GARY AND LORI, AGE 50: *"Not only were we able to find a health insurance plan that's accepted by our favorite doctors, but with our Health Savings Account we've gained a new retirement savings tool."*

The above quotes are not from actual customers and are provided by eHealth to illustrate certain features of BusinessHSA.

HOW DO HSA-ELIGIBLE HEALTH PLANS AND TRADITIONAL HEALTH PLANS COMPARE?

HSA-eligible health plans offer the same benefits of traditional individual and family health insurance plans, but are specifically designed to be used in conjunction with Health Savings Accounts.

	Typical Business HSA Plan	*Typical Individual Plan*
MAJOR MEDICAL COVERAGE	✓	✓
MONTHLY PREMIUM	Frequently Lower	Frequently Higher
DEDUCTIBLE	Frequently Higher	Frequently Lower
RX COVERAGE	✓	✓
PREVENTIVE CARE COVERAGE	✓	✓
DEDUCTIBLES AND COPAYMENTS	Paid from HSA funds	Paid out of pocket

Based on a review of products available on the eHealthInsurance.com website as of 6/1/2008.

THE RIGHT HEALTH PLAN FOR EACH EMPLOYEE'S NEED

- No "force-fitting" into a one-size-fits-all health plan
- Employees apply to plans based on the services they need and premiums they can afford
- Employees choose from a broad selection of trusted, brand-name insurance companies
- Personal assistance available from eHealth's licensed agents

Personal Health Savings Accounts for Employees

Health Savings Accounts provide your employees with a versatile, tax-advantaged savings tool. We'll help your employees open their own accounts and provide them with a health expense debit card that makes it easy to pay for qualifying expenses with their HSA funds.

TAX ADVANTAGES

Pre-tax deposits

- Funds deposited into an employee's account are not subject to payroll tax and (unless withdrawn for ineligible expenses) do not accrue toward taxable income for the year

Tax-deferred income

- The interest earned in a Health Savings Account builds up on a tax-free basis and can grow from year to year without adding to taxable income

Tax-free withdrawals for medical expenses

- When employees withdraw funds from their Health Savings Accounts to pay for qualified medical expenses, these withdrawals are also tax-free.

USE HEALTH SAVINGS ACCOUNTS TO PAY FOR THINGS LIKE:

- Deductibles
- Copayments
- Rx and over-the-counter medicine
- Vitamins
- Vision care, including contact lenses, saline solution
- Corrective eye surgery
- Vaccinations
- Chiropractor
- Acupuncture
- Orthodontics
- Medical services – physicians, surgeons, specialists, etc.
- Dental treatment (including x-rays, fillings, braces, extractions)
- Diagnostic devices such as blood glucose monitors
- Fertility enhancement
- Learning disability programs

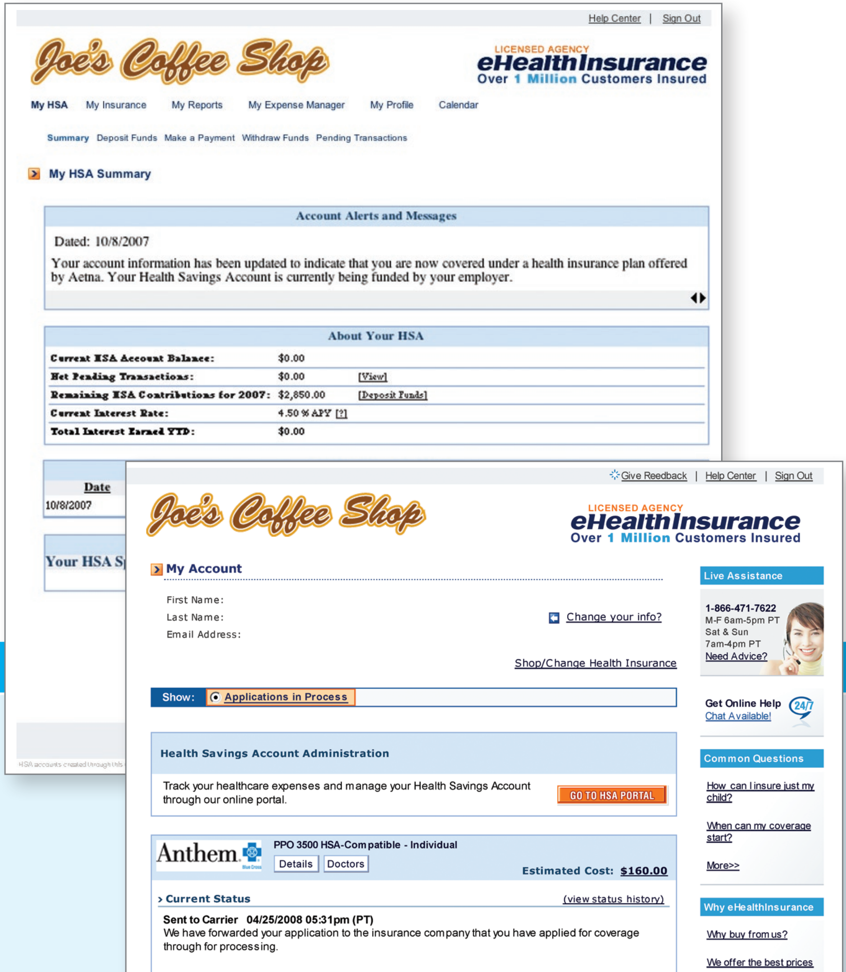
For a list of government approved medical expenses please refer to IRS Pub 502 available at www.irs.gov

Personal Portal for Each Employee

Secure online portals allow employees to see your contributions grow in their Health Savings Accounts. Employees can manage expenses, review their health insurance policies and contact customer service.

Simple Self-Management Tool for Employees

- Access to selected insurance plan information and coverage
- Online banking for HSA account
- Balance information
- Deposit and withdrawal of funds
- Schedule payments to providers
- Investment tools
- Balance information
- Listing of eligible expenses by category
- Receipt manager to assist with HSA tax reporting



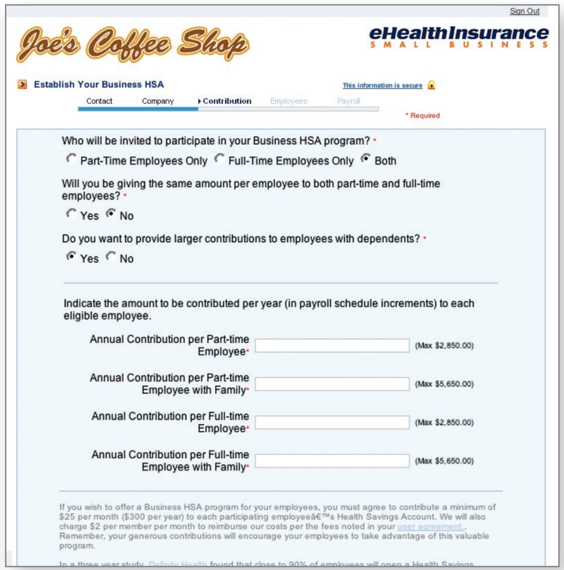
- Qualified long-term care services
- Operations/surgery
- Psychiatric care
- Stop-smoking programs
- Transportation for medical care
- Weight-loss programs
- X-rays

Easy for Employers

It's easy to establish a *BusinessHSA* program online. First, open an account by providing information about your company. Next, indicate how much you would like to contribute to your employees' Health Savings Accounts. Then, whenever your staffing levels or budgeting needs change, simply return to your online portal to make updates.

Open your company account

Establish your contribution levels

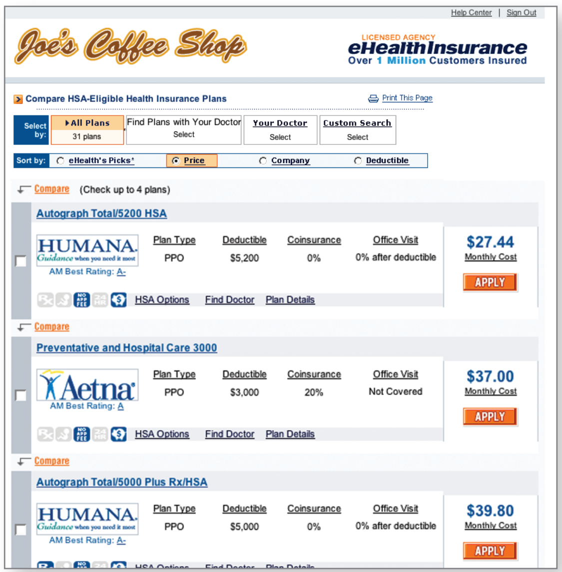


Manage contributions & employee changes

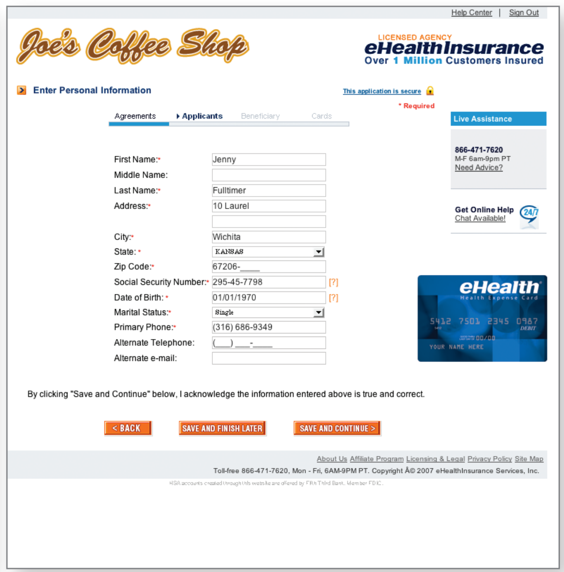
Easy for Employees

BusinessHSA is easy for employees, too. They can receive free health insurance quotes, compare plan rates and benefits to find the best match, and apply online. They can also open their Health Savings Accounts online. Once approved for coverage, your employees will begin receiving contributions and can monitor and manage their accounts through a secure online portal.

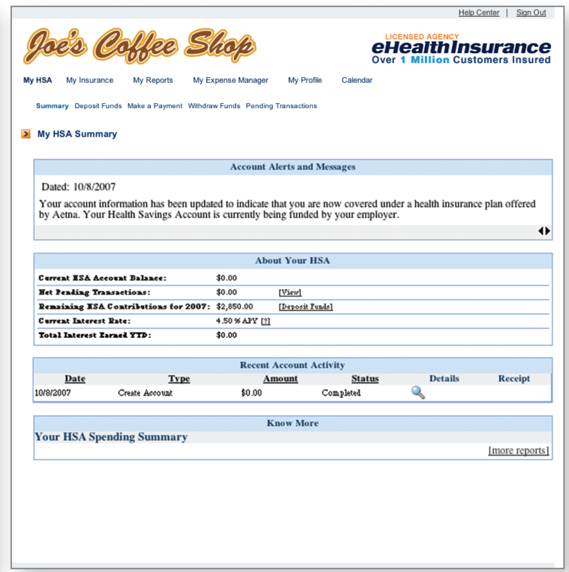
Compare eligible plans and apply



Open Health Savings Account



Manage funds and track expenses online



Personalized Assistance for You and Your Employees

The eHealth Customer Care center is dedicated to helping you and your employees. From account creation to choosing a health plan, our friendly, experienced agents are ready to help.

EMPLOYER ASSISTANCE

- Talk to a dedicated agent who will help you create your BusinessHSA account
- Get online, interactive assistance to help you through the process
- Enjoy personalized, day-to-day service whenever you need help managing your account
- Relax knowing that eHealth provides 24/7 support to help your employees select the right HSA-eligible plan

EMPLOYEE ASSISTANCE

- Personal assistance from licensed agents to help employees pick their health plan and apply online
- Friendly support to help them establish a Health Savings Account
- Online, interactive assistance to help them through the process, available 24-hours a day
- Ongoing advocacy — As your employee's health insurance agent, eHealth provides support for as long as they keep their plan.

QUALITY CUSTOMER CARE

eHealth's licensed agents and representatives have the experience and knowledge necessary to help your employees find the best match for their personal health insurance needs.

Call 866.471.7622
Monday – Friday, 6 am to 9 pm, PT
eHealth.com/BusinessHSA

LEARN MORE!

Your healthcare solution

BusinessHSA allows more small businesses to provide valuable healthcare assistance to their employees.

GET STARTED!

- **STEP 1** Download and review the Employer Getting Started Guide at BHSAdemo.com
- **STEP 2** Create your BusinessHSA account at eHealth.com/BusinessHSA — Personal assistance available
- **STEP 3** Indicate the amount you would like to contribute to employees' HSAs
- **STEP 4** Announce your new program! Employee brochures, email invitations and help guides are available

To learn more and open a *BusinessHSA* account today:

866.471.7622

eHealth.com/BusinessHSA

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