

eHealthInsurance Launches New Initiative to Educate Consumers About COBRA and COBRA Alternatives

New national survey and COBRA Learning Center website highlight the need for more information about health insurance options

MOUNTAIN VIEW, CA, September 22, 2008 – eHealth, Inc. (NASDAQ: EHTH), parent company of eHealthInsurance, has launched a new educational initiative designed to help consumers and HR professionals make informed decisions about COBRA coverage and COBRA alternatives. The initiative includes a newly-released national survey which suggests that many consumers aren't even aware of COBRA (Consolidated Omnibus Budget Reconciliation Act) and health insurance alternatives to COBRA. eHealthInsurance also launched a new website called the [COBRA Learning Center](#), which features helpful benefits information and financial tools. Extending the educational initiative are partnerships with national benefits advisors like Willis Group that work closely with HR professionals and COBRA-eligible consumers. Each aspect of the program is designed to help consumers as they face decisions about COBRA coverage in the wake of increased nationwide unemployment and layoffs.

eHealthInsurance commissioned a nationwide survey of over 1,000 respondents to understand consumer awareness of COBRA and other health insurance alternatives.¹ The survey found that four in 10 adults surveyed knew little or nothing about COBRA. Sixty percent of adults surveyed did not know that individually purchased health insurance can be less expensive than COBRA. Additionally, only 45% of respondents were aware that individually purchased health insurance can provide similar benefits to a COBRA plan.

Additional insights from the survey include:

- Half of those surveyed who were eligible for COBRA coverage at some point in the past elected to receive it for themselves or a family member, while 47% say they declined coverage.
- The most common reasons respondents decided to opt for COBRA health insurance coverage were that they liked their employer's plan and wanted to continue with the same network and/or benefits (59%) and they thought it was their only option for health insurance coverage (52%).
- Expense was the most common reason people eligible for COBRA coverage declined it (68%), followed by the fact they were able to be covered on another family member's plan (44%).
- Thirty percent of those surveyed who refused COBRA coverage decided to go without health insurance coverage.
- Complete survey results are available upon request

To address this information gap, eHealthInsurance launched the COBRA Learning Center (www.COBRAlearning.com), which provides information and tools to help consumers and HR professionals learn about health insurance options and make the best choices based on individual needs and budget. The website features eligibility guides, educational content, and printable brochures and materials. Visitors can use a new, interactive COBRA calculator to compare COBRA premiums to some of the more affordable individual and family plans that may be available to them. Consumers can also compare and apply for individual plans online and utilize all of the robust shopping, sorting and customer service features offered on www.ehealthinsurance.com.

eHealthInsurance also launched a co-branded website with leading benefits advisor Willis Group to distribute the COBRA Learning Center to Willis agents and their clients. This provides helpful resources to HR professionals that are advising employees during difficult transitions such as job loss.

“With over 600,000 U.S. jobs lost so far this year,² a top priority for our company is to help workers who are facing unemployment find the right health insurance coverage,” said Gary Lauer, president and CEO of eHealth, Inc. “COBRA is an important option, but our research and experience working with the uninsured has shown us that many employees and HR professionals are not aware of the alternatives. The COBRA Learning Center provides valuable information to this population who otherwise might not know that they can find affordable coverage in the individual health insurance market.”

COBRA coverage is an important option for many, especially those with pre-existing health conditions, because individuals cannot be denied coverage based on their medical history. However, COBRA can be very expensive because consumers often must pay up to 102% of the premium that was partially covered by their employer.³ By comparing rates and purchasing individual insurance through eHealthInsurance, consumers can potentially save up to 60% over COBRA premiums.⁴

“When I was laid off, I accepted COBRA coverage at \$620 a month because I didn’t know that I could find an individual plan with comparable benefits at a far lower rate,” said 30-year old eHealthInsurance member Jason Bobo from Dallas, Texas. “We found a plan for my family online for only \$288 a month. With four small children under the age of seven and managing through a tough economy, it was important to have both the right benefits, such as well baby care, and the cost savings of more than \$300 a month on premiums.”

About eHealth

eHealth, Inc. (NASDAQ: EHTH) is the parent company of eHealthInsurance, the nation's leading online source of health insurance for individuals, families and small businesses. Through the company's website, www.ehealthinsurance.com, consumers can get quotes from leading health insurance carriers, compare plans side by side, and apply for and purchase health insurance. eHealthInsurance offers thousands of health plans underwritten by more than 180 of the nation's leading health insurance companies. eHealthInsurance is licensed to sell health insurance in all 50 states and the District of Columbia. eHealthInsurance and eHealth are registered trademarks of eHealthInsurance Services, Inc.

Sources:

¹ Survey conducted on the telephone September 5-8, 2008 among a random national sample of 1,004 adults 18 years and older. The results have a margin of error of plus or minus 3.2% among the total sample of 1004 adults. Certain questions did not apply to all of the respondents due to their responses to other survey questions. As a result, the sample size was smaller for those questions, which causes the margin of error to be greater.

Opinion Research Corporation of Princeton, NJ, conducted the fieldwork.

² September 5, 2008, U.S. Department of Labor, Bureau of Labor Statistics, Commissioner's Statement on the Employment Situation,

<http://www.bls.gov/news.release/jec.nr0.htm>

³ http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.html, U.S. Department of Labor, FAQs About COBRA Continuation Health Coverage

⁴ Calculated using average total premium cost for employer-sponsored health insurance coverage from April 2006 to April 2007 reflected in the Henry J. Kaiser Foundation study Employee Health Benefits: 2007 Annual Survey (<http://www.kff.org/insurance/7672/index.cfm>) plus the standard 2% administration cost charged to most COBRA participants; then compared to average premiums for privately-purchased individual and family coverage in August 2006 cited by eHealth, Inc. and Forrester Research in The Cost and Benefits of Individual Health Insurance Plans: 2007, April, 2007 (<http://www.ehealthinsurance.com/content/expertcenterNew/CostBenefitsReportSeptember2007.pdf>).

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