eHealth, Inc.
Form DEF 14A
April 30, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of

the Securities Exchange Act of 1934

Filed by the Registrant Filed by a party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, For Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Pursuant to § 240.14a-12

EHEALTH, INC.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if Other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

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(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

440 East Middlefield Road

Mountain View, CA 94043

(650) 584-2700

April 30, 2018

Dear Stockholder:

You are cordially invited to attend the Annual Meeting of Stockholders of eHealth, Inc. that will be held on June 12, 2018 at 8:30 a.m. Pacific Daylight Time at the Garden Court Hotel, located at 520 Cowper Street, Palo Alto, California 94301.

In connection with our 2018 Annual Meeting of Stockholders, we have elected to provide access to our proxy materials over the Internet to all stockholders under the Securities and Exchange Commission s notice and access rules. We believe that our use of this process should expedite stockholders receipt of proxy materials, lower the costs of our annual meeting and help to conserve natural resources. Hard copies of the proxy materials, including the Proxy Statement and Annual Report, will be mailed upon request.

Your vote is important. Whether or not you plan to attend the Annual Meeting, we ask you to vote as soon as possible. You may vote over the Internet as well as by telephone or by mailing a proxy or voting instruction form. Voting over the Internet, by telephone, by written proxy or by written voting instruction form will ensure your representation at the Annual Meeting of Stockholders regardless of whether or not you attend in person. Please review the instructions on the proxy, voting instruction form or important notice regarding availability of proxy materials regarding each of these voting options.

Also, please let us know if you plan to attend our annual meeting by marking the appropriate box on the enclosed proxy card if you have requested to receive printed proxy materials, or if you vote by telephone or Internet, indicating your plans when prompted.

Thank you for your ongoing support of eHealth, Inc.

Sincerely yours,

Scott N. Flanders

Chief Executive Officer and Director

EHEALTH, INC.

Notice of Annual Meeting of Stockholders

to be held on June 12, 2018

To the Stockholders of eHealth, Inc.:

The Annual Meeting of Stockholders of eHealth, Inc., a Delaware corporation, will be held at the Garden Court Hotel, located at 520 Cowper Street, Palo Alto, California 94301, on Tuesday, June 12, 2018 at 8:30 a.m. Pacific Daylight Time for the following purposes:

1. To elect two (2) Class III directors (Jack L. Oliver, III and Ellen O. Tauscher) to serve for terms of three years and until their respective successors are duly elected and qualified, subject to earlier resignation or removal;

2. To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018;

3. To vote to approve, on an advisory basis, the compensation of our Named Executive Officers; and

4. To transact such other business as may properly come before the Annual Meeting or at any postponement or adjournment of the Annual Meeting.

The foregoing items of business are more fully described in the Proxy Statement accompanying this Notice or made available over the Internet. We are not aware of any other business to come before the Annual Meeting.

Only stockholders of eHealth as of the close of business on April 16, 2018 and their proxies are entitled to notice of and to vote at the Annual Meeting and any postponements, adjournments or continuations thereof.

All stockholders are invited to attend the Annual Meeting in person. Any stockholder attending the Annual Meeting may vote in person even if the stockholder returned a proxy. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the Annual Meeting, you must obtain a proxy issued in your name from the record holder giving you the right to vote the shares.

By Order of the Board of Directors,

Scott Giesler

Secretary

Mountain View, California

April 30, 2018

Whether or not you expect to attend the annual meeting, we encourage you to read the proxy statement and submit your proxy or voting instructions as promptly as possible in order to ensure your representation at the annual meeting. We strongly encourage you to vote.

You may submit your proxy or voting instructions for the annual meeting by using the telephone or the Internet, or if you requested to receive printed proxy materials, you may also submit your proxy or voting instructions by completing, signing, dating and returning your proxy card or voting instruction form in the pre-addressed envelope provided. For specific instructions on how to vote your shares, please refer to the section entitled Questions and Answers About the Proxy Materials and the Annual Meeting in this proxy statement and the instructions on the proxy, voting instruction form or important notice regarding availability of proxy materials. Even if you have given your proxy, you may still vote in person if you attend the annual meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the annual meeting, you must obtain a proxy issued in your name from the record holder.

eHealth, Inc.

440 East Middlefield Road

Mountain View, CA 94043

(650) 584-2700

PROXY STATEMENT

The Board of Directors of eHealth, Inc., a Delaware corporation (we, us, our or the Company), is soliciting proxies the accompanying form to be used at our Annual Meeting of Stockholders to be held at the Garden Court Hotel, located at 520 Cowper Street, Palo Alto, California 94301, on Tuesday, June 12, 2018 at 8:30 a.m. Pacific Daylight Time and for any postponement, adjournment or continuation thereof (the Annual Meeting).

On or about April 30, 2018, we expect to mail to our stockholders a Notice of Internet Availability of Proxy Materials containing instructions on how to access our proxy statement for our Annual Meeting and our Annual Report to stockholders, how to vote online or by telephone, and how to receive a paper copy of the proxy materials by mail.

QUESTIONS AND ANSWERS ABOUT

THE PROXY MATERIALS AND THE ANNUAL MEETING

What proposals will be voted on at the Annual Meeting?

Three proposals are scheduled to be voted on at the Annual Meeting:

1. The election of two (2) Class III directors (Jack L. Oliver, III and Ellen O. Tauscher) to serve for terms of three years and until their respective successors are duly elected and qualified, subject to earlier resignation or removal (Proposal 1);

2. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2); and

3. A vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3).

We will also consider any other business that properly comes before the meeting. If any other matters are properly brought before the meeting, the persons named in the enclosed proxy card or voter instruction card will vote the shares they represent using their judgment.

What are the recommendations of the board of directors?

Our board of directors unanimously recommends that you vote:

1. FOR the election of the nominated Class III directors (Proposal 1);

2. FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2); and

3. FOR the proposal regarding a vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3).

Will there be any other items of business on the agenda?

We do not expect any other items of business, because the deadline for stockholder proposals and nominations has already passed. Nonetheless, in case there is an unforeseen need, the accompanying proxy gives discretionary authority to the persons named on the proxy with respect to any other matters that might be brought before the Annual Meeting or at any postponement or adjournment of the Annual Meeting. Those persons intend to vote that proxy in accordance with their judgment. If for any reason any of the nominees are not available as candidates for director, and our board of directors has not reduced the authorized number of directors on our board of directors, the persons named as proxy holders will vote your proxy for such other candidate or candidates as may be nominated by the board of directors.

What constitutes a quorum?

As of the close of business on April 16, 2018 (the Record Date), there were 18,983,152 shares of our common stock outstanding. The presence at the Annual Meeting or at any postponement or adjournment of the Annual Meeting, in person or by proxy, of the holders of a majority of the voting power of the common stock outstanding on the Record Date will constitute a quorum. Both abstentions and broker non-votes are counted for the purpose of determining the presence of a quorum.

Who is entitled to vote?

Stockholders holding shares of our common stock at the close of business on the Record Date may vote at the Annual Meeting or at any postponement or adjournment of the Annual Meeting. You may vote all shares owned by you as of the Record Date, including (i) shares held directly in your name as the stockholder of record and (ii) shares held for you as the beneficial owner in street name through a broker, bank or other nominee. Each holder of our common stock is entitled to one vote for each share of common stock held as of the Record Date.

What is the difference between holding shares as a stockholder of record and as a beneficial owner?

Stockholder of Record. If your shares are registered directly in your name with our transfer agent, Computershare Trust Company, N.A., you are considered, with respect to those shares, the stockholder of record.

Beneficial Owner. If your shares are held in a stock brokerage account or by a bank or other nominee, you are considered the beneficial owner of shares held in street name. Your broker, bank or nominee is considered with respect to those shares the stockholder of record. As the beneficial owner, you have the right to direct your broker, bank or nominee how to vote your shares. Other than routine matters, such as a proposal to ratify an independent registered public accounting firm, your broker will not be able to vote your shares unless your broker receives specific voting instructions from you. You must give your broker voting instructions in order for your vote to be counted on the proposal to elect directors (Proposal 1) and the proposal regarding a vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3). We strongly encourage you to vote.

How do I vote?

You may vote using any of the following methods:

By Internet. Stockholders of record of our common stock as of the Record Date with Internet access may submit proxies by following the Internet voting instructions on the Important Notice Regarding the Availability of Proxy Materials (the Notice of Availability) or, in the case of stockholders of record who have requested to receive printed proxy materials, by accessing the website specified on the proxy cards provided by Computershare Trust Company, N.A., our transfer agent. Stockholders who hold shares beneficially in street name may provide voting instructions by accessing the website specified on the Notice of Availability or, in the case of beneficial holders of shares in street name who have requested to receive printed proxy materials, by accessing the website specified on the voting instruction forms provided by their brokers, banks or nominees. Please check the voting instruction form for Internet voting availability. Please be aware that if you submit voting instructions over the Internet, you may incur costs such as telephone and Internet access charges for which you will be responsible.

By Telephone. Stockholders of record of our common stock as of the Record Date who live in the United States or Canada may submit proxies by following the telephone voting instructions on their Notice of Availability or, in the case of stockholders of record who have requested to receive printed proxy materials, by following the telephone voting instructions specified on the proxy cards. Stockholders who hold shares beneficially in street name, live in the United States or Canada and have requested to receive printed proxy materials may provide voting instructions by telephone by calling the number specified on the voting instruction forms provided by their brokers, banks or nominees. Please check the voting instruction form for telephone voting availability.

By Mail. Stockholders of record of our common stock as of the Record Date who have requested paper copies of their proxy materials may submit proxies by completing, signing and dating their proxy cards and mailing them in the accompanying pre-addressed envelopes. If you return your signed proxy but do not indicate your voting preferences, your shares will be voted on your behalf FOR the Class III nominees to the board of directors (Proposal 1), FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2) and FOR the proposal regarding a vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3). Stockholders who hold shares beneficially in street name and have requested to receive printed proxy materials may provide voting instructions by mail by completing, signing and dating the voting instruction forms provided by their brokers, banks or other nominees and mailing them in the accompanying pre-addressed envelopes.

In person at the Annual Meeting. Shares held in your name as the stockholder of record may be voted in person at the Annual Meeting or at any postponement or adjournment of the Annual Meeting. Shares held beneficially in street name may be voted in person only if you obtain a legal proxy from the broker, bank or nominee that holds your shares giving you the right to vote the shares. ***Even if you plan to attend the Annual Meeting, we recommend that you also submit your proxy or voting instructions by mail, telephone, or Internet so that your vote will be counted if you later decide not to attend the Annual Meeting***.

Can I change my vote or revoke my proxy?

If you are a stockholder of record, you may revoke your proxy at any time prior to the vote at the Annual Meeting. If you submitted your proxy by mail, you must file with our Secretary a written notice of revocation or deliver, prior to the vote at the Annual Meeting, a valid, later-dated proxy. If you submitted your proxy by telephone or the Internet, you may revoke your proxy with a later telephone or Internet proxy, as the case may be. Attendance at the Annual Meeting will not have the effect of revoking a proxy unless you give written notice of revocation to the Secretary before the proxy is exercised or you vote by written ballot at the Annual Meeting. If you are a beneficial owner, you may vote by submitting new voting instructions to your broker, bank or nominee, or, if you have obtained a legal proxy from your broker, bank or nominee giving you the right to vote your shares, by attending the meeting and voting in person.

How are votes counted?

In the election of the Class III directors (Proposal 1), you may vote FOR the nominees or your vote may be WITHHELD with respect to one or more of the nominees. With respect to the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2) and the vote to approve, on an advisory basis, the compensation of our

Named Executive Officers (Proposal 3), you may vote FOR, vote AGAINST or ABSTAIN. If you ABSTAIN, the abstention has no effect on the voting results, although abstentions are considered votes cast for the purpose of determining the presence of a quorum. If you provide specific instructions, your shares will be voted as you instruct.

If you sign your proxy card with no further instructions, your shares will be voted in accordance with the recommendations of the board of directors (FOR the Class III nominees to the board of directors (Proposal 1), FOR the ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2), FOR the proposal regarding a vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3) and in the discretion of the proxy holders on any other matters that properly come before the Annual Meeting or any postponement or adjournment of the Annual Meeting). If you are a beneficial holder and do not return a voting instruction form, your broker, bank or nominee may only vote on the ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018.

What vote is required to approve each item?

In the election of the Class III directors (Proposal 1), the two persons receiving the highest number of FOR votes cast at the Annual Meeting in person or by proxy or at any postponement or adjournment of the Annual Meeting will be elected. The ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2) and the vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3) require the affirmative FOR vote of a majority of the votes cast affirmatively or negatively at the Annual Meeting in person or by proxy or at any postponement or adjournment of the Annual Meeting.

What are broker non-votes and what effect do they have on the proposals?

If you hold your shares beneficially in street name and do not provide your broker, bank or nominee with voting instructions, your shares may constitute broker non-votes. Generally, broker non-votes occur when a broker (1) has not received voting instructions from the beneficial owner with respect to a particular proposal and (2) lacks discretionary voting power to vote those shares with respect to that particular proposal. In tabulating the voting results for any particular proposal, shares that constitute broker non-votes are not considered votes cast on that proposal. Thus, other than being counted for the purpose of determining a quorum, broker non-votes will not affect the outcome of any matter being voted on at the Annual Meeting or any postponement or adjournment of the Annual Meeting, assuming that a quorum is obtained.

A broker is entitled to vote shares held for a beneficial owner on routine matters, such as the ratification of Ernst & Young LLP as our independent registered public accounting firm for our fiscal year ending December 31, 2018 (Proposal 2), without instructions from the beneficial owner of those shares. On the other hand, absent instructions from the beneficial owner of such shares, a broker is not entitled to vote shares held for a beneficial owner on certain non-routine matters, such as the election of our Class III directors (Proposal 1) and the vote to approve, on an advisory basis, the compensation of our Named Executive Officers (Proposal 3).

Broker non-votes are counted for purposes of determining whether or not a quorum exists for the transaction of business at the Annual Meeting or any postponement or adjournment of the Annual Meeting, but will not be counted for purposes of determining the number of shares represented and voted with respect to an individual proposal, and therefore will have no effect on the outcome of the vote on an individual proposal. Thus, if you do not give your broker specific voting instructions, your shares may not be voted on these non-routine matters and will not be counted in determining the number of shares necessary for approval.

Is cumulative voting permitted for the election of directors?

No. Neither our charter nor our bylaws permit cumulative voting at any election of directors.

I am a stockholder, and I only received a copy of the Important Notice Regarding Availability of Proxy Materials in the mail. How may I obtain a full set of the proxy materials?

In accordance with the notice and access rules of the Securities and Exchange Commission, we may furnish proxy materials, including this Proxy Statement and our 2017 Annual Report, to our stockholders of record and beneficial owners of shares by providing access to such documents on the Internet instead of mailing printed copies. Stockholders will not receive printed copies of the proxy materials unless they request them. Instead, the Notice of Availability, which was mailed to our stockholders, will instruct you as to how you may access and review all of the proxy materials on the Internet. If you would like to receive a paper or electronic copy of our proxy materials, you should follow the instructions for requesting such materials in the Notice of Availability.

I share an address with another stockholder, and we received only one paper copy of the proxy materials. How may I obtain an additional copy of the proxy materials?

We have adopted a procedure called householding, which the Securities and Exchange Commission has approved. Under this procedure, we deliver a single copy of the Notice of Availability and, if applicable, the proxy materials and the 2017 Annual Report to multiple stockholders who share the same address unless we received contrary instructions from one or more of the stockholders. This procedure reduces our printing costs, mailing costs and fees. Stockholders who participate in householding will continue to be able to access and receive separate proxy cards. Upon written or oral request, we will deliver promptly a separate copy of the Notice of Availability and, if applicable, the proxy materials and the 2017 Annual Report to any stockholder at a shared address to which we delivered a single copy of any of these documents. To receive a separate copy of the Notice of Availability and, if applicable, these proxy materials or the 2017 Annual Report, stockholders may contact us at the following address and telephone number:

Investor Relations

eHealth, Inc.

440 East Middlefield Road

Mountain View, CA 94043

(650) 210-3111

Stockholders who hold shares in street name (as described above) may contact their brokerage firm, bank, broker-dealer or other similar organization to request information about householding.

How are proxies solicited?

The costs and expenses of soliciting the proxy accompanying this Proxy Statement from stockholders will be borne by us. Our employees, officers and directors may solicit proxies in person, by telephone or by electronic communication. None of these individuals will receive any additional or special compensation for doing this, but they may be reimbursed for reasonable out-of-pocket expenses. We may engage the services of proxy solicitors to assist us in the distribution of proxy materials and the solicitation of votes, for which we will pay customary fees plus reasonable out-of-pocket expenses. In addition, we may reimburse brokerage houses and other custodians, nominees and fiduciaries for their reasonable out-of- pocket expenses for forwarding proxy and solicitation material to the beneficial owners of common stock.

Who will serve as inspector of elections?

Our officers are authorized to designate an inspector of elections for the meeting. It is anticipated that the inspector of elections will be a representative from Computershare Trust Company, N.A.

What is the date of our fiscal year end?

This Proxy Statement provides information about the matters to be voted on at the Annual Meeting and additional information about us and our executive officers and directors. Some of the information is provided as of the end of our 2017 fiscal year and some information is provided as of a more current date. Our fiscal year ends on December 31.

PROPOSAL 1

ELECTION OF DIRECTORS

General

Our board of directors currently consists of five directors. Our certificate of incorporation provides a classified board of directors consisting of three classes of directors, each serving staggered three-year terms. As a result, a portion of our board of directors are elected each year.

Our Class III directors, whose term will expire at the Annual Meeting, are Jack L. Oliver, III and Ellen O. Tauscher. Our board of directors has nominated Class III directors Jack L. Oliver, III and Ellen O. Tauscher for election at the Annual Meeting. If elected, Mr. Oliver and Ms. Tauscher will serve as directors until the Annual Meeting of Stockholders in 2021 and until their respective successors are elected and qualified, subject to earlier resignation or removal.

The names and certain information about the continuing directors in each of the three classes of the board of directors are set forth below. There are no family relationships among any of our directors or executive officers.

It is intended that the proxies will be voted, unless otherwise indicated, for the election of the nominees (Mr. Oliver and Ms. Tauscher) for election as Class III directors. If any of the nominees should for any reason be unable or unwilling to serve at any time prior to the Annual Meeting, the proxies will be voted for the election of such other person(s) as substitute nominee(s) as the board of directors may designate in place of such nominee(s).

Nominees for Class III Directors

The following paragraphs provide information as of the date of this proxy statement about each of our nominee for director. The information presented includes information each nominee has given us about the nominee s age, positions held, principal occupation and business experience for at least the past five years, and directorships of publicly-held companies for the past five years. We also describe the specific qualifications of each of our nominees that contribute to the board s effectiveness as a whole. We believe that each of our nominees possess integrity, honesty, sound judgment, high ethical standards and a commitment of service to us.

The names of the nominees for Class III director and certain biographical information about them as of the date of this proxy statement are set forth below:

Name	Age	Position and Offices Held with the Company	Director Since
Jack L. Oliver, III(1)	49	Director	2005
Ellen O. Tauscher(2)	66	Chairperson of the Board of Directors	2012

(1) Mr. Oliver serves as chairperson of the nominating and corporate governance committee and government and regulatory affairs committee of our board of directors and as a member of the compensation committee of our board of directors.
(2) Ms. Tauscher serves as a member of the audit committee and government and regulatory affairs committee of our board of directors.

Jack L. Oliver, III. Director. Jack Oliver has served as a director since December 2005. Since March 2005, Mr. Oliver has been a senior advisor at the law firm Bryan Cave LLP. Mr. Oliver also has served as a senior advisor at Barclay s PLC since March 2009. From August 2005 to 2008, Mr. Oliver served as a senior advisor at Lehman Brothers with a focus on Lehman Brothers global client relationship management and private management businesses. Prior to his work at Bryan Cave, Mr. Oliver served on various political campaigns, including those for the candidacies of Senator Jack Danforth, Senator Kit Bond, Senator John Ashcroft and Congressman Jim Talent. He is also a former deputy chairman of the Republican National Committee and was national finance director for President George Walker Bush s presidential campaign. Mr. Oliver holds a B.A. degree in political science and communications from Vanderbilt University and a J.D. from the University of

Missouri School of Law. Mr. Oliver brings to our board of directors his political acumen and experience with government policy-making and expertise in strategy development, acquired through his legal training and his extensive involvement with several successful senatorial, congressional and presidential campaigns, all of which inform his views with respect to the strategic direction of our company.

Ellen O. Tauscher, Director. Ellen Tauscher has served as a director since July 2012 and as chairperson of our board of directors since May 2016. Ms. Tauscher is a strategic advisor at Baker, Donelson, Bearman, Caldwell & Berkowitz, PC and has served in this role since August 2012. From February 2012 to August 2012, Ms. Tauscher served as Special Envoy for Strategic Stability and Missile Defense at the U.S. State Department. Ms. Tauscher was nominated in March 2009 by President Obama to serve as Under Secretary of State for Arms Control and International Security Affairs, which Ms. Tauscher served from June 2009 to February 2012. Prior to joining the State Department, Ms. Tauscher served from January 1997 to June 2009 as a member of the U.S. House of Representatives from California s 10th Congressional District. While a member of Congress, Ms. Tauscher served on the House Armed Services Committee and House Transportation and Infrastructure Committee and as the Chairman of the Strategic Forces Subcommittee of the House Armed Services Committee. Prior to serving in Congress, Ms. Tauscher worked in investment banking and the financial services industry in various roles for Bache Halsey Stuart Shields, Bear Stearns & Co. and Drexel Burnham Lambert and as an officer of the American Stock Exchange. Ms. Tauscher also serves as a member of the board of directors of Edison International. Ms. Tauscher previously served on the board of directors of Invacare Corporation from February 2012 to May 2015 and SeaWorld Entertainment from December 2014 to October 2017. Ms. Tauscher holds a B.S. degree in early childhood education from Seton Hall University. Ms. Tauscher brings to our board of directors her expertise in finance and strategy development and knowledge of government affairs acquired through her service at the State Department and in Congress as well as during her career in investment banking.

Required Vote and Board of Directors Recommendation

The two candidates receiving the highest number of affirmative votes cast in person or by proxy at the Annual Meeting or at any postponement or adjournment of the Annual Meeting will be elected as directors to serve until their respective successors have been duly elected and qualified, subject to earlier resignation or removal.

The board of directors recommends a vote FOR election as directors of each of the nominees set forth above.

DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors Not Standing for Election

The following paragraphs provide information as of the date of this proxy statement about the continuing members of our board of directors not standing for election at the Annual Meeting. Director service terms expire at the Annual Meeting in the years set forth below. The information presented includes information each director has given us about his or her age, positions held, principal occupation and business experience for at least the past five years, and directorships of publicly-held companies for the past five years. We also describe the specific qualifications of each of our directors that contribute to the board s effectiveness as a whole. We believe that all of our directors possess integrity, honesty, sound judgment, high ethical standards and a commitment of service to us.

Name	Age	Position and Offices Held with the Company	Year Term Expires
Scott N. Flanders(1)	61	Chief Executive Officer and Director	2019
Michael D. Goldberg(2)	60	Director	2019
Randall S. Livingston(3)	64	Director	2020

(1) Mr. Flanders serves as a member of the equity incentive committee of our board of directors.
(2) Mr. Goldberg serves as chairperson of the compensation committee and strategy committee of our board of directors and as a member of the audit committee and equity incentive committee of our board of directors.
(3) Mr. Livingston serves as chairperson of the audit committee of our board of directors and as a member of the nominating and corporate governance committee and strategy committee of our board of directors.

Scott N. Flanders. Chief Executive Officer and Director. Scott Flanders has served as our chief executive officer since May 2016 and as a member of our board of directors since February 2008. Prior to becoming our chief executive officer, Mr. Flanders served as the chief executive officer of Playboy Enterprises, Inc., a media and lifestyle company, from July 2009 to May 2016, and continues to serve as a member of its board of directors. Previously, Mr. Flanders served as the president and chief executive officer of Freedom Communications, Inc., a privately-owned media company, from January 2006 to June 2009, and as a member of its board of directors from 2001 to 2009. Freedom Communications, Inc. filed a voluntary petition under Chapter 11 of the U.S. Bankruptcy Code in September 2009. From 1999 to July 2005, Mr. Flanders served as the chairman and chief executive officer of Columbia House Company, a direct marketer of music and video products, which was acquired by Bertelsmann AG in July 2005. Mr. Flanders holds a B.A. degree in economics from the University of Colorado and a J.D. from Indiana University. He is also a certified public accountant. Mr. Flanders brings to our board of directors substantial management and operational expertise as a result of his experience as our chief executive officer, his leadership of several large media companies and his background in law and accounting, all of which are relevant to our overall business.

Michael D. Goldberg. Director. Michael Goldberg has served as a director since June 1999. Mr. Goldberg has served as the executive chairman of DNAnexus, Inc., a cloud-based genomic data company, and as an advisor at other private life science companies since May 2011. From January 2005 to May 2011, Mr. Goldberg was a partner at Mohr Davidow Ventures, a venture capital firm. From October 2000 to December 2004, Mr. Goldberg served as a managing director of Jasper Capital, a management and financial consultancy business. In 1995, Mr. Goldberg founded OnCare, Inc., an oncology practice management company, and served as its chairman until August 2001 and as its chief executive officer until March 1999. Mr. Goldberg previously served as founder, president and chief executive officer of Axion, Inc., a cancer-focused healthcare service company, from 1987 to 1995. Mr. Goldberg holds a B.A. in philosophy from Brandeis University and an M.B.A. from the Stanford Graduate School of Business. Mr. Goldberg serves as the chairman of the board of directors of CareDx, Inc. Mr. Goldberg brings to our board of directors his broad background as a seasoned entrepreneur, senior executive and as a venture capital investor focusing on healthcare-related industries, all of which has provided him with deep understanding of the healthcare field and significant experience overseeing corporate strategy, evaluating operating strategy and evaluating business management teams.

Randall S. Livingston. Director. Randall Livingston has served as a director since December 2008. Mr. Livingston is the vice president for business affairs and chief financial officer of Stanford University and has served in these roles since 2001. From 1999 to 2001, Mr. Livingston served as executive vice president and chief financial officer of OpenTV Corp., a provider of interactive television software and services. Mr. Livingston received a B.S. in mechanical engineering from Stanford University and an M.B.A. from the Stanford Graduate School of Business. Mr. Livingston serves as a member of the board of directors of Pacific Biosciences, Inc. and previously served as a member of the board of directors of Genomic Health, Inc. from 2004 to 2016. Mr. Livingston brings to our board of directors substantial financial expertise that includes extensive knowledge of the financial and operational issues facing large companies acquired in the course of serving as the chief financial officer of a major university, as a finance executive for several Silicon Valley companies and working with a major international management consulting firm.

Board Independence

The board of directors has determined that each of its current directors, except Scott N. Flanders, is independent within the meaning of the NASDAQ Global Market director independence standards, as currently in effect.

Board of Directors Meetings

The board of directors held eight meetings during 2017. Each of our directors serving on the board of directors during 2017 attended at least 75% of the meetings held by the board of directors and by the committees on which such director served during 2017. The independent members of our board of directors meet in executive session without management present on a regular basis.

Committees of the Board of Directors

Our board of directors has an audit committee, a compensation committee, a nominating and corporate governance committee, a government and regulatory affairs committee, a strategy committee and an equity incentive committee, each of which has the composition and responsibilities described below. Each committee acts pursuant to written charters approved by the board of directors. The charters for the audit committee, compensation committee and nominating and corporate governance committee are available in the Investor Relations section of our corporate website at *www.ehealth.com*.

Audit Committee. The current members of our audit committee are Messrs. Goldberg and Livingston and Ms. Tauscher. Mr. Livingston is the chairperson of the audit committee. Our board of directors has determined that each member of our audit committee meets the requirements for independence of the NASDAQ Global Market and the Securities and Exchange Commission for audit committee membership. Our board of directors has also determined that each Audit Committee member meets financial sophistication requirements of the NASDAQ Global Market and that Messrs. Goldberg and Livingston are audit committee financial experts as defined in Securities and Exchange Commission rules. The audit committee held eight meetings during 2017.

Among other duties, our audit committee:

- appoints a firm to serve as independent accountant to audit our financial statements;

- discusses the scope and results of the audit with the independent accountant and reviews with management and the independent accountant our interim and year-end operating results;

reviews the adequacy of our internal accounting controls and audit procedures;

approves (or, as permitted, pre-approves) all audit and non-audit services to be performed by the independent accountant; and

prepares the report that the Securities and Exchange Commission requires in our annual proxy statement.

The audit committee has the sole and direct responsibility for appointing, retaining and approving the compensation of our independent auditors and for overseeing their work. All audit services and all non-audit services, other than de minimis non-audit services, to be provided to us by our independent auditors are approved in advance by our audit committee.

Compensation Committee. The current members of our compensation committee are Messrs. Goldberg and Oliver. Mr. Goldberg is the chairperson of the compensation committee. Our board of directors has determined that each member of our compensation committee meets the applicable requirements for independence of the NASDAQ Global Market, the Securities and Exchange Commission and Internal Revenue Service. The purpose of our compensation committee is to assist our board of directors in determining the compensation of our executive officers and directors. The compensation committee held four meetings during 2017.

Among other duties, our compensation committee:

- establishes the corporate goals and objectives that pertain to the variable compensation of our chief executive officer;
- evaluates our chief executive officer s performance;
- determines our chief executive officer s compensation, based on evaluating his or her performance and other relevant criteria;
- determines, in consultation with our chief executive officer, the compensation of our executive officers;
- makes recommendations to our board of directors regarding the compensation of members of our board of directors;
- makes recommendations to our board of directors regarding adopting or amending equity incentive plans (including changes in the number of shares reserved for issuance thereunder);
- reviews and makes recommendations to our board of directors with respect to incentive compensation and equity plans;
- administers our equity incentive plans and may delegate to another committee of our board of directors the concurrent authority to make awards under our equity incentive plans to individuals other than executive officers;
- reviews and discusses with management the compensation discussion and analysis to be included in our proxy statement or annual report and issues any report required by the Securities and Exchange Commission to be included in our proxy statement or annual report; and

assesses risks relating to compensation plans and arrangements.

Nominating and Corporate Governance Committee. The current members of our nominating and corporate governance committee are Messrs. Livingston and Oliver. Mr. Oliver is the chairperson of the nominating and corporate governance committee. Our board of directors has determined that each member of our nominating and corporate governance committee meets the applicable requirements for independence of the NASDAQ Global Market. The nominating and corporate governance committee held four meetings during 2017.

Among other duties, our nominating and corporate governance committee:

identifies, evaluates and recommends nominees to our board of directors and committees of our board of directors;

conducts searches for appropriate members of the board of directors and oversees the evaluation of the performance of our board of directors and of individual directors; and

reviews developments in corporate governance practices and makes recommendations to the board of directors concerning corporate governance matters.

Government and Regulatory Affairs Committee. The current members of our government and regulatory affairs committee are Mr. Oliver and Ms. Tauscher. Mr. Oliver is the chairperson of the government and regulatory affairs committee. The governance and regulatory affairs committee held four meetings during 2017.

Among other duties, our governance and regulatory affairs committee:

- reviews our goals and objectives relating to the governmental affairs, regulatory, public policy and political developments impacting our business;
- provides insight and awareness to the board of directors on emerging issues relating to political and regulatory development, at the federal and state levels, and the practical impact to us of such developments; and
- assists in the preparation of our response to an unusual situation or crisis relating to a regulatory or political development.

Strategy Committee. The current members of our strategy committee are Messrs. Goldberg and Livingston. Mr. Goldberg is the chairperson of the strategy committee. The strategy committee held four meetings during 2017.

Among other duties, our strategy committee:

- reviews our long-range financial and strategic planning goals and objectives;
- reviews the allocations of corporate resources recommended by management;
- recommends acquisitions, divestiture, investments, joint ventures and strategic transactions to the board of directors and management; and
- evaluates the execution, performance, financial results and integration of any completed strategic transactions.

Equity Incentive Committee. The members of our equity incentive committee are Messrs. Flanders and Goldberg. The equity incentive committee has the authority to grant equity-based awards within certain guidelines approved by the board of directors to employees and consultants who are not our executive officers or directors. Equity awards may be granted by the equity incentive committee in accordance with the terms and conditions of the committee s charter and the Equity Award Policy (see description below) adopted by our board of directors. The equity incentive committee held no meetings during 2017.

Non-Employee Director Compensation

Cash Compensation

For their service in 2017, our non-employee directors received cash compensation in accordance with the amounts set forth in the table below. More detail relating to the payments is set forth in the footnotes to the table under 2017 Director Compensation below. Our non-employee directors also are entitled to reimbursement of business, travel and other related expenses incurred in connection with their attendance at board of directors and board of directors committee meetings.

Board of Directors Cash Compensation	**Fees**
Board Member Annual Retainer	$ 30,000
Chairperson of the Board Annual Retainer	$ 35,000
Committee Chair Annual Retainers	
Audit Committee	$ 25,000
Compensation Committee	$ 12,500
Nominating and Corporate Governance Committee	$ 7,500
Government and Regulatory Affairs Committee	$ 10,000
Strategy Committee	$ 10,000
Non-Chair Committee Member Annual Retainers	
Audit Committee	$ 10,000
Compensation Committee	$ 5,000
Nominating and Corporate Governance Committee	$ 3,500
Government and Regulatory Affairs Committee	$ 5,000
Strategy Committee	$ 5,000

Equity Compensation

Pursuant to our 2014 Equity Incentive Plan, as amended, our board of directors approved a program of automatic equity award grants for non-employee directors on the terms specified below:

Initial Equity Grants. Each non-employee director who first becomes a member of our board of directors receives a one-time grant of restricted stock units (RSUs) with a value of $150,000, based on the 20-day trading volume-weighted average trading price of eHealth common stock prior to the date of grant. These initial equity award grants occur when the director takes office. A director who previously was employed by us is not eligible for this grant. The RSUs vest annually over four years from the date of grant.

Annual Equity Grants. Each non-employee director continuing service on our board of directors also receives, on the date of each annual stockholders meeting, an annual grant of RSUs with a value of $150,000, based on the 20-day volume-weighted average trading price prior to the date of grant. The RSUs vest as to 100% of the shares subject to the grant on the day prior to our annual stockholder meeting, approximately one year following the grant date. A new director will not receive the initial grant and an annual grant in the same calendar year. A non- employee director who was previously employed by us is eligible for these annual grants.

Equity awards granted to non-employee directors under the 2014 Equity Incentive Plan will become fully vested upon a change in control of eHealth.

Our compensation committee works with its compensation consultant to review director compensation at peer companies on an annual basis and our board of directors takes this information into account in setting the levels of director compensation.

Stock Ownership Guidelines

Our board of directors has approved stock ownership guidelines for our non-employee directors. Pursuant to the guidelines, each non-employee director on June 30, 2011 is expected to accumulate and hold a number of shares of our common stock equal to the lesser of (i) $180,000 in value or (ii) 13,709 shares and to maintain this minimum amount of stock ownership during the director s tenure on the board of directors. Existing non-employee directors who were non-employee directors on June 30, 2011 were expected to achieve the applicable level of ownership by June 30, 2015.

Under the guidelines, each non-employee director who joins the board after June 30, 2011 is expected to accumulate and hold a number of shares of our common stock equal to the lesser of (i) a value equal to six times their annual retainer for service on the board of directors (not including retainers for serving as members or as chairs of committees of the board of directors), or (ii) the number of shares determined by dividing the dollar amount determined in clause (i) by the 20-day volume-weighted average trading price of our common stock prior to the date upon which they join the board of directors. Non-employee directors are expected to maintain this minimum amount of stock ownership during the director s tenure on the board of directors. New non-employee directors are expected to achieve the applicable level of ownership by June 30 following their fourth anniversary of joining the board of directors.

The following equity holdings qualify towards satisfaction of the stock ownership guidelines: (i) shares directly owned by the non-employee director or his or her immediate family members; (ii) shares held in trust, limited partnerships or similar entities for the benefit of the non-employee director or his or her immediate family members; (iii) shares subject to restricted stock units or other full-value awards that have vested, but for which a non-employee director has elected to defer settlement of the award to a date beyond the date of vesting; (iv) shares subject to restricted stock units or other full-value awards that are unvested and for which the only requirement to earn the award is continued service to the company for which a non-employee director has elected to defer the settlement of the award to a date beyond the date of vesting and (v) shares subject to stock options and stock appreciation rights that are vested and in-the-money.

Non-employee directors are not required to purchase shares on the open market in order to comply with the guidelines. In the event the applicable guideline is not achieved with respect to any non-employee director by the applicable deadline, the non-employee director will be required to retain an amount equal to 75% of the net shares received as a result of the exercise of the company s stock options or stock appreciation rights or the vesting of restricted stock units or other full-value awards until the applicable guideline has been achieved. Under certain limited circumstances, the guidelines may be waived by our compensation committee at its discretion.

2017 Director Compensation

The following table summarizes compensation that our directors earned during 2017 for service on our board of directors and any applicable committee(s) thereof:

Name	**Fees Earned in Cash**	**Stock Awards(1)**	**Total**
Michael D. Goldberg(2)	$ 62,500	$ 151,801	$ 214,301
Randall S. Livingston(3)	$ 63,500	$ 151,801	$ 215,301
Jack L. Oliver, III(4)	$ 52,500	$ 151,801	$ 204,301
Ellen O. Tauscher(5)	$ 80,000	$ 151,801	$ 231,801

(1) Amounts shown do not reflect compensation actually received. Amounts shown reflect the grant date fair value of the restricted stock units granted in 2017, computed in accordance with Financial Accounting Standards Board Accounting Standards Codification Topic 718, *Compensation Stock Compensation* (FASB ASC Topic 718). Our accounting policies regarding equity compensation and the assumptions used to compute the fair value of our equity awards are set forth in Notes 1 and 4 to our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2017.

(2) Mr. Goldberg earned $30,000 related to his annual retainer as a non-employee member of the board of directors, $10,000 related to his position as a member of the audit committee, $12,500 related to his position as chairperson of the compensation committee and $10,000 related to his position as chairperson of the strategy committee.
(3) Mr. Livingston earned $30,000 related to his annual retainer as a non-employee member of the board of directors, $25,000 for his position as chairperson of the audit committee, $3,500 for his position as a member of the nominating and corporate governance committee and $5,000 for his position as a member of the strategy committee.
(4) Mr. Oliver earned $30,000 related to his annual retainer as a non-employee member of the board of directors, $7,500 related to his position as chairperson of the nominating and corporate governance committee, $10,000 related to his position as chairperson of the government and regulatory affairs committee and $5,000 related to his position as a member of the compensation committee.
(5) Ms. Tauscher earned $30,000 related to her annual retainer as a non-employee member of the board of directors, $35,000 related to her position as chairperson of the board of directors, $10,000 related to her position as a member of the audit committee and $5,000 related to her position as a member of the government and regulatory affairs committee.

All of our non-employee directors have received options to purchase shares of our common stock and/or restricted stock units under our 2005 Stock Plan, 2006 Equity Incentive Plan or 2014 Equity Incentive Plan in connection with their service as members of our board of directors. The table below summarizes the outstanding options and unvested restricted stock units held by our non-employee directors as of December 31, 2017. Certain of our directors have elected to defer settlement of vested restricted stock units pursuant to the terms of a deferral election. The vested restricted stock units are not included in the table below but are reflected in the table and related footnotes under *Security Ownership of Certain Beneficial Owners and Management.*

			Number of Securities Underlying Equity Awards				
Director	**Grant Date**	**Type of Award**	**Shares Granted**	**Shares Subject to Unexercised Options Outstanding and Unvested Restricted Stock Units as of December 31, 2017**	**Aggregate Stock Options Outstanding as of December 31, 2017**	**Aggregate Unvested Restricted Stock Units as of December 31, 2017**	**Option Exercise Price**
Michael D. Goldberg	6/10/2008	Stock Option(1)	6,250	6,250			$ 23.49
	6/9/2009	Stock Option(2)	3,250	3,250			$ 17.76
	6/15/2010	Stock Option(2)	7,500	7,500			$ 12.20
	6/13/2017	Restricted Stock Units(2)	8,327	8,327			
					17,000	8,327	
Randall S. Livingston	12/17/2008	Stock Option(3)	10,000	10,000			$ 12.40
	6/9/2009	Stock Option(2)	3,250	3,250			$ 17.76

	6/15/2010	Stock Option(2)	7,500	7,500			$ 12.20
	6/13/2017	Restricted Stock Units(2)	8,327	8,327			
					20,750	8,327	
Jack L. Oliver, III	6/10/2008	Stock Option(1)	6,250	6,250			$ 23.49
	6/9/2009	Stock Option(2)	3,250	3,250			$ 17.76
	6/15/2010	Stock Option(2)	7,500	7,500			$ 12.20
	6/13/2017	Restricted Stock Units(2)	8,327	8,327			
					17,000	8,327	
Ellen O. Tauscher	8/16/2016	Restricted Stock Units(4)	10,000	5,000			
	6/13/2017	Restricted Stock Units(2)	8,327	8,327			
						13,327	

(1) Option vested as to 100% of the shares subject to the grant on the earlier of (i) the one-year anniversary of the grant date or (ii) the day prior to our annual stockholder meeting approximately one year following the grant date.

(2) Option or restricted stock unit vests as to 100% of the shares subject to the grant on the day prior to our annual stockholder meeting approximately one year following the grant date.

(3) Option vested over four years at a rate of 25% after one year and 1/48th per month thereafter, so long as the holder continues to serve as a director.
(4) Restricted stock unit vests as to 50% of the shares subject to the grant on each of the one and two year anniversaries of the date of grant.

Executive Officers

The following table sets forth our current executive officers and their ages and the positions they held as of March 31, 2018.

Name	Age	Title
Scott N. Flanders	61	Chief Executive Officer and Director
David K. Francis	50	Chief Financial Officer and Chief Operating Officer
Timothy C. Hannan	40	Chief Marketing Officer
Robert S. Hurley	58	President, Carrier and Business Development
Ian J. Kalin	37	Chief Technology Officer

Information pertaining to Mr. Flanders who is both a director and an executive officer of the company, may be found in the section entitled Directors Not Standing for Election.

David K. Francis. Chief Financial Officer and Chief Operating Officer. Mr. Francis has served as our chief financial officer since July 2016 and as our chief operating officer since January 2018. Mr. Francis previously served as our chief operations officer from October 2016 to January 2018. Prior to joining us, Mr. Francis served as managing director, equity research at RBC Capital Markets from November 2013 to July 2016. From 2007 to October 2013, he served as managing partner of The JAAG Group/JAAG Research, healthcare and technology consulting and research firms founded by Mr. Francis. Previously, Mr. Francis was a managing director and co-head of Healthcare Equity Research at Jefferies & Co., a partner, equity research at JC Bradford & Co., a managing director, equity research at Volpe Brown Whelan, a managing director at Punk, Ziegel & Knoell and an investment banking analyst at Needham & Company. Mr. Francis holds a B.S. degree in economics with concentrations in finance and management from the Wharton School of the University of Pennsylvania.

Timothy C. Hannan. Chief Marketing Officer. Mr. Hannan has served as our chief marketing officer since June 2017. Prior to joining us, Mr. Hannan served as chief marketing officer of Ibotta, Inc., a mobile shopping application, from February 2016 to June 2017 and as chief marketing officer of Trip.com, an online travel website, from February 2015 to February 2016. From March 2010 to November 2014, Mr. Hannan held various senior management positions at Orbitz Worldwide, most recently as its vice president of eMarketing. Mr. Hannan also spent five years at Expedia, Inc. from 2006 to 2010, including serving as the director of accounts for Europe, the Middle East and Africa. Mr. Hannan holds a B.A. in quantitative economics and finance from Providence College and an MBA from London Business School.

Robert S. Hurley. President, Carrier and Business Development. Mr. Hurley has served as our president, carrier and business development since January 2018. Previously, Mr. Hurley served as our president, medicare products from October 2016 to January 2018 and executive vice president of sales and operations from November 2015 to October 2016. Prior to that, Mr. Hurley served as our senior vice president of sales and operations from March 2011 to November 2015, our senior vice president of carrier relations from May 2007 to March 2011 and our vice president of strategic initiatives from September 2003 to May 2007. From April 1999 to September 2003, Mr. Hurley was responsible for our customer care and enrollment functions. Prior to joining us, Mr. Hurley served as an associate vice president of sales and operations for the consumer business segment at Health Net, Inc., a managed healthcare company, and in various leadership roles at Foundation Health, a California health plan. Mr. Hurley holds a B.A. degree in law and society from the University of California, Santa Barbara.

Ian J. Kalin. Chief Technology Officer. Mr. Kalin has served as our chief technology officer since March 2018. Mr. Kalin previously served as our chief data officer from February 2017 to March 2018. Prior to joining us, Mr. Kalin served as the chief data officer at the U.S. Department of Commerce from March 2015 to January 2017. At the Department of Commerce, Mr. Kalin oversaw the data strategy and operations for various government organizations such as the U.S. Census Bureau, the National Weather Service and the Patent and Trademark Office. Previously, Mr. Kalin served as the director of open data for Socrata, a government technology firm, from August 2013 to February 2015. Prior to that, Mr. Kalin briefly worked for Google.org from June 2013 to July 2013 where he supported a special project on civic data. Before Google, Mr. Kalin was the presidential innovation fellow at the U.S. Department of Energy from June 2012 to May 2013. Earlier in his career, Mr. Kalin worked in the clean-tech sector and the U.S. Navy as a counter terrorism officer and as a nuclear engineer. Mr. Kalin holds a B.S. in foreign service from Georgetown University and a masters in engineering management from Old Dominion University.

Corporate Governance Matters

Code of Business Conduct

Our board of directors has adopted a Code of Business Conduct, which is applicable to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and persons performing similar functions. The Code of Business Conduct is available in the Investor Relations section of our corporate website at *www.ehealth.com*.

Corporate Governance Guidelines

Our board of directors has adopted Guidelines on Significant Corporate Governance Issues, or corporate governance guidelines, that address the role and composition of, and policies applicable to, the board of directors. The nominating and corporate governance committee annually reviews the guidelines and reports any recommendations regarding amendment thereof to our board of directors. Our corporate governance guidelines were last amended in March 2017 and are available in the Investor Relations section of our corporate website at *www.ehealth.com*.

Equity Award Policy

Our board of directors adopted an Equity Award Policy in November 2006, which was amended and restated in March 2015. The policy provides:

- Our compensation committee may grant equity awards to our directors, officers, employees or consultants.

- Our equity incentive committee may grant equity awards to our employees or consultants, subject to the limitations that (i) the recipient has not already received an equity award from us, (ii) the recipient is not an officer or director, and (iii) the equity incentive committee may not grant options to purchase shares of our common stock or stock appreciation rights for more than 50,000 shares per grantee, and may not grant restricted stock or restricted stock units for more than 20,000 shares per grantee, unless the compensation committee approves a revised limit.

- Our compensation committee will approve grants of equity awards (i) to new hires or to recently promoted employees at the first compensation committee meeting on or after the employee s first day of employment or the day of the employee s promotion and (ii) to existing directors, officers, employees or consultants (other than recently promoted employees) at the first regularly scheduled compensation committee meeting in a calendar quarter; provided, however, that the compensation committee may approve grants that do not comply with this requirement either at a time when the members of the compensation committee would be permitted to effect transactions in our securities under our Insider Trading Compliance Program or if the compensation committee determines that making the grants is in the interest of us and our stockholders.

For accounting, tax and securities law purposes, all awards are effective on the date of grant, which is the earliest day that is both (i) the third Tuesday of a month and (ii) at least the 10th business day after the date when the applicable committee approved the awards; provided, however, that the compensation committee shall have discretion to make grants that do not comply with this requirement solely with respect to grants of restricted shares and/or stock units intended to comply with the performance-based compensation requirements of Section 162(m) of the Internal Revenue Code of 1986 (during such period of time that the performance-based compensation requirements were or may be available), as discussed in more detail below in *Executive Compensation, Say-On-Pay, Independence of Advisors Regulatory Considerations.*

The exercise price of all options and stock appreciation rights is required to be equal to or greater than the closing price of our common stock on the date of grant.

Insider Trading Compliance Program

Our board of directors adopted an Insider Trading Compliance Program in August 2006, which was last amended and restated in March 2018. The program prohibits trading of our securities based on material, nonpublic information regarding our company and applies to members of our and our subsidiaries board of directors, employees and consultants, including our executive officers, and, in each case, members of their immediate families, other family members who live in their same household and any other family member whose securities transactions they direct (collectively, the Insiders). The Insiders are generally prohibited from, among other things, trading on material, nonpublic information, holding our securities in a margin account or pledging our securities as collateral for a loan, tipping, trading during our trading blackout period, conducting short sales of our securities, trading in derivative securities (e.g., puts, calls, or other similar hedging instruments) relating our securities, placing open orders with brokers in violation of the program, and disclosing nonpublic information relating to our company and our subsidiaries on any forum.

Consideration of Director Nominees

Stockholder Recommendations and Nominations. The policy of our board of directors is to consider recommendations for director candidates from stockholders holding not less than one percent (1%) of the outstanding shares of our common stock continuously for at least twelve months prior to the date of submission of the recommendation. Our board of directors has established the following procedures by which these stockholders may submit recommendations regarding director candidates:

To recommend a candidate for election to the board of directors, a stockholder meeting the criteria set forth above must notify the nominating and corporate governance committee by writing to our general counsel at the following address:

General Counsel (Director Recommendation)

eHealth, Inc.

440 East Middlefield Road

Mountain View, California 94043

The stockholder s notice is required to set forth the following information:

the candidate s name and home and business contact information;

detailed biographical data and relevant qualifications of the candidate;

a statement from the recommending stockholder in support of the candidate, particularly within the context of the criteria for board membership set forth below;

information regarding any relationship between the candidate and us;

the candidate s written consent to be named in our proxy statement and proxy if selected and to serve on our board of directors if elected;

- evidence of the required ownership of common stock by the recommending stockholder; and
- other information that the stockholder believes is relevant in considering the candidate.

A stockholder that instead desires to nominate a person directly for election to the board of directors at an annual meeting of stockholders must meet applicable requirements, including the deadlines and other requirements set forth in our bylaws.

Director Qualifications. Our board of directors believes that it is necessary for each of our directors to possess many qualities, skills and attributes. The nominating and corporate governance committee is responsible for reviewing with the board of directors from time to time the appropriate qualities, skills and attributes required of members of our board of directors in the context of the current make-up of our board of directors. According to our corporate governance guidelines, the nominating and corporate governance committee will consider the following in connection with its evaluation of director candidates:

- the current size, composition and organization of the board of directors and the needs of the board of directors and its committees;
- such factors as character, integrity, judgment, diversity of experience, independence, area of expertise, corporate experience, length of service, potential conflicts of interest and other commitments; and
- other factors as the nominating and corporate governance committee may consider appropriate.

The minimum qualifications and skills that each director should possess include (i) strong professional and personal ethics and values, (ii) broad experience at the policy-making level in business, government, education, technology or public interest and (iii) the ability to assist and make significant contributions to our success. As provided above, our corporate governance guidelines specify one of the considered factors as diversity of experience. Beyond this statement, our nominating and corporate governance committee does not have a formal policy with respect to diversity. The board of directors and nominating and corporate governance committee, however, believe that it is important that our directors represent diverse viewpoints. In addition to diversity of experience, the nominating and corporate governance committee seeks director candidates with a broad diversity of professions, skills and backgrounds.

The nominating and corporate governance committee evaluates the foregoing factors, among others, and does not assign any particular weight or priority to any of these factors.

Identification and Evaluation of Nominees for Director. The nominating and corporate governance committee is responsible for identifying, evaluating and recommending candidates for election to our board of directors and candidates for filling vacancies on our board of directors that may occur between annual meetings of our stockholders. The nominating and corporate governance committee may consider bona fide candidates from all relevant sources, including current board members, professional search firms and other persons. The nominating and corporate governance committee will also consider bona fide director candidates recommended by stockholders pursuant to the requirements set forth above. The nominating and corporate governance committee is responsible for evaluating director candidates in light of the board of directors membership criteria described above, based on all relevant information and materials available to the nominating and corporate governance committee. This includes information and materials provided by stockholders recommending director candidates, professional search firms and other parties.

Stockholder Communication with Directors

The board of directors believes that stockholders should have an opportunity to communicate with the board of directors. Any communication from a stockholder to the board of directors generally or to a particular director should be in writing and should be delivered to our general counsel at our principal executive offices. Each such communication should set forth (i) the name and address of the stockholder, as they appear on our books, and if the stock is held by a nominee, the name and address of the beneficial owner of the stock, and (ii) the class and number of shares of our stock that are owned of record by the record holder and beneficially by such beneficial owner. Our general counsel will monitor these communications. The general counsel will, in consultation with appropriate directors as necessary, generally screen out communications from stockholders that are (i) solicitations for products and services, (ii) matters of a personal nature not relevant for stockholders or (iii) matters of a type that render them improper or irrelevant to the functioning of the board of directors and us. Summaries of appropriate communications will be provided to the board of directors at each regularly scheduled meeting of the board of directors. The board of directors generally meets on a quarterly basis. Where the nature of a communication warrants, the general counsel may determine, in his or her judgment, to obtain the more immediate attention of the appropriate committee of the board of directors or an individual director and may consult our independent advisors or management regarding the communication. The general counsel may decide in the exercise of his or her judgment whether a response to any stockholder communication is necessary.

The procedures described above do not apply to communications to non-employee directors from our officers or directors who are stockholders or to stockholder proposals submitted pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the Exchange Act).

Attendance at Annual Meeting of Stockholders

The board of directors encourages directors to attend our annual meetings of stockholders. All of our directors attended the annual meeting of stockholders held June 13, 2017.

Compensation Committee Interlocks and Insider Participation

The directors who were members of our compensation committee during 2017 were Michael D. Goldberg and Jack L. Oliver, III. None of the current or past members of our compensation committee has at any time been an officer or employee of ours while serving on the committee. None of our executive officers serves, or in the past fiscal year has served, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving on our board of directors or compensation committee.

Board Leadership Structure

Our corporate governance guidelines provide that the board of directors should be free to choose a chairperson of the board in any way that it deems best for the company at a given point in time. Our board of directors recognizes that no single leadership model is right for all companies at all times and periodically reviews its leadership structure as a result. The board of directors currently believes that our company is best served by separating the roles of the chairperson of the board of directors and chief executive officer. Ellen O. Tauscher, an independent director, is the chairperson of our board of directors. The chairperson of the board of directors has the following responsibilities:

- develop the agendas for all meetings of the board of directors with the chief executive officer;
- act as chairperson and preside over meetings of the board of directors and stockholders; and
- call special meetings of the independent directors, develop agendas for such meetings and chair all meetings of independent directors.

Accordingly, the chairperson of our board of directors has substantial ability to shape the work of our board of directors. We believe that the separation of the positions of the chairperson and chief executive officer can reinforce the independence of our board of directors in its oversight of our business affairs. In addition, the separation can help create an environment that is more conducive to objective evaluation and oversight of management.

Risk Oversight

The board of directors takes an active role, as a whole and at the committee level, in overseeing management of the company s risks. Our management keeps the board of directors apprised of significant risks facing the company and the approach being taken to understand, manage and mitigate such risks. Specifically, strategic risks are overseen by the full board of directors and the strategy committee of the board of directors; regulatory risks are overseen by the government & regulatory affairs committee of the board of directors; financial and cybersecurity risks are overseen by the audit committee of the board of directors; risks relating to compensation plans and arrangements are overseen by the compensation committee of the board of directors; and risks associated with director independence and potential conflicts of interest are overseen by the nominating and corporate governance committee of the board of directors. Additional review or reporting on enterprise risks is conducted as needed or as requested by the full board of directors or the appropriate committee. In addition, our chairperson of the board of directors promotes communication and consideration of matters presenting significant risks to us through her role in contributing to and drafting agendas for meetings of our board of directors, chairing meetings of the board of directors and acting as a conduit between our independent directors and our chief executive officer on sensitive issues.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information, as of March 31, 2018, as to shares of common stock beneficially owned by: (i) each person who is known by us to own beneficially more than 5% of our common stock, (ii) each of our directors and nominees, (iii) each of our executive officers named under *Executive Compensation, Say-on-Pay, Independence of Advisors 2017 Summary Compensation Table* (the Named Executive Officers) and (iv) all of our directors and executive officers as a group. The information provided in the table is based on our records, information filed with the Securities and Exchange Commission and information furnished by the respective individuals or entities, as the case may be.

Applicable percentage ownership is based on 18,964,518 shares of common stock outstanding at March 31, 2018. In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed outstanding shares of common stock subject to options held by that person that were currently exercisable or exercisable within 60 days after March 31, 2018, and shares of common stock issuable upon the vesting of restricted stock units within 60 days after March 31, 2018. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission. Except as indicated in the footnotes below, we believe, based on the information furnished to us, that the persons and entities named in the table below have sole voting and investment power with respect to all shares of common stock that they beneficially own, subject to applicable community property laws.

Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned*
5% Stockholders		
Entities affiliated with BlackRock, Inc.(2) 55 East 52nd Street New York, NY 10022	2,117,944	11.17%
Orbimed Capital LLC and Orbimed Advisors LLC (3) 601 Lexington Avenue, 54th Floor New York, NY 10022	1,834,700	9.67%
Redmile Goup, LLC (4) One Letterman Drive, Bldg D, Ste D3-300 San Francisco, CA 94129	1,558,914	8.22%
Cannell Capital, LLC (5) 245 Meriwether Circle Alta, WY 83414	1,091,878	5.76%
Entities affiliated with Deerfield Mgmt, L.P.(6)	1,013,916	5.35%

780 Third Avenue, 37th Floor New York, NY 10017		
The Vanguard Group(7) 100 Vanguard Blvd. Malvern, PA 19355	978,756	5.16%
Entities affiliated Wellington Management Group LLP(8) 280 Congress Street Boston, MA 02210	971,396	5.12%

Name and Address of Beneficial Owner(1)	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned*
Named Executive Officers and Directors		
Scott N. Flanders(9)	430,301	2.24%
David K. Francis(10)	25,322	*
Timothy C. Hannan	0	*
Robert S. Hurley(11)	48,698	*
Tom G. Tsao	0	*
Michael D. Goldberg(12)	119,721	*
Randall S. Livingston(13)	69,865	*
Jack L. Oliver, III(14)	60,048	*
Ellen O. Tauscher(15)	47,598	*
All executive officers and directors, as a group (10 persons)(16)	801,553	4.14%

* Represents beneficial ownership of less than one percent of our outstanding common stock.

(1) Unless otherwise indicated, the address for each beneficial owner is c/o eHealth, Inc., 440 East Middlefield Road, Mountain View, CA 94043.

(2) According to a Schedule 13G filed on January 23, 2018 with the Securities and Exchange Commission, 2,117,944 shares of common stock are deemed to be beneficially owned by BlackRock, Inc. and certain of its subsidiaries on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(3) According to a Schedule 13G filed on February 13, 2018 with the Securities and Exchange Commission, 843,200 shares of common stock are deemed to be beneficially owned by Orbimed Advisors LLC and 991,500 shares of common stock are deemed to be beneficially owned by Orbimed Capital LLC on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(4) According to a Schedule 13G filed on February 14, 2018 with the Securities and Exchange Commission, 1,558,914 shares of common stock are deemed to be beneficially owned by Redmile Group, LLC and Jeremy C. Green on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(5) According to a Schedule 13G filed on February 14, 2018 with the Securities and Exchange Commission, 1,091,878 shares of common stock are deemed to be beneficially owned by Cannell Capital, LLC and J. Carlo Cannell on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(6) According to a Schedule 13G filed on February 14, 2018 with the Securities and Exchange Commission, Deerfield Mgmt, L.P, Deerfield Management Company, L.P. and James E. Flynn may be deemed to beneficially own 1,013,916 shares of our common stock which are owned by Deerfield Partners, L.P., Deerfield International Master Fund, L.P. and Deerfield Special Situations Fund, L.P on behalf of various other persons known to have the right to receive, or the power to direct the receipt of, dividends from, or the proceeds from the sale of, such securities as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(7) According to a Schedule 13G filed on February 8, 2018 with the Securities and Exchange Commission, 978,756 shares of common stock are deemed to be beneficially owned by the Vanguard Group on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from,

or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(8) According to a Schedule 13G filed on February 8, 2018 with the Securities and Exchange Commission, 971,396 shares of common stock are deemed to be beneficially owned by Wellington Management Group, LLP and certain of its subsidiaries on behalf of various other persons known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of our common stock as of December 31, 2017. No one such person s interest in our common stock is more than 5% of the total outstanding shares of our common stock.

(9) Includes 174,640 shares of common stock issuable upon exercise of stock options, 31,250 shares of common stock issuable upon vesting of restricted stock units and 32,808 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(10) Includes 10,000 shares of common stock issuable upon vesting of restricted stock units and 3,619 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(11) Includes 6,500 shares of common stock held of record by Robert and Jeanette Hurley, trustees to the Riach Hurley Family Trust. Also includes 6,875 shares of common stock issuable upon vesting of restricted stock units, 23,632 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(12) Includes 44,419 shares of common stock held of record by Michael D. Goldberg Family Trust dated June 3, 2011. Also includes 17,000 shares of common stock issuable upon exercise of stock options and 18,628 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(13) Includes 20,750 shares of common stock issuable upon exercise of stock options and 13,252 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(14) Includes 17,000 shares of common stock issuable upon exercise of stock options.

(15) Includes 24,068 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

(16) Includes an aggregate of 229,390 shares of common stock issuable upon exercise of stock options, 48,125 shares of common stock issuable upon vesting of restricted stock units and 116,007 shares of vested restricted stock units that have been deferred pursuant to the terms of a deferral election.

CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

We describe below transactions and series of similar transactions, since the beginning of our last fiscal year, or any currently proposed transaction, to which we were or will be a participant, in which:

- The amounts involved exceeded or will exceed $120,000; and

- A director, executive officer, holder of more than 5% of our common stock or any member of their immediate family had or will have a direct or indirect material interest.

We also describe below certain other transactions with our directors, executive officers and stockholders.

Board Compensation

We pay non-employee directors for service on our board of directors. Our non-employee directors also have received options to purchase shares of our common stock and restricted stock units covering shares of our common stock. For more information regarding these arrangements, see *Non-Employee Director Compensation* above.

Employment Agreements

We have entered into offer letters or employment related agreements with each of our executive officers. For more information regarding these arrangements, see *Executive Compensation, Say-on-Pay, Independence of Advisors Employment Agreements, Separation Agreements and Change of Control Arrangements* below.

Indemnification Agreements and Limitation of Liability

Our bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law, as it now exists or may in the future be amended, against all expenses and liabilities reasonably incurred or suffered in connection with their service for or on our behalf. Our bylaws provide that we shall advance the expenses incurred by a director or officer in advance of the final disposition of an action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her action in that capacity, regardless of whether Delaware law would otherwise permit indemnification. In addition, our certificate of incorporation provides that our directors will not be personally liable for monetary damages to us for breaches of their fiduciary duty as directors, unless they violated their duty of loyalty to us or our stockholders, acted in bad faith, knowingly or intentionally violated the law, authorized illegal dividends or redemptions or derived an improper personal benefit from their action as directors.

We have entered into indemnification agreements with each of our directors and executive officers. These agreements, among other things, require us to indemnify each director and executive officer to the fullest extent permitted by Delaware law, including indemnification of expenses such as attorneys fees, judgments, fines and settlement amounts incurred by the director or executive officer in any action or proceeding, including any action or proceeding by or in right of us, arising out of the person s services as a director or executive officer.

Equity Award Grants

We have granted restricted stock units and options to purchase shares of our common stock to our directors and executive officers. See *Non-Employee Director Compensation*, *Executive Compensation, Say-on-Pay, Independence of Advisors Compensation Discussion and Analysis Compensation Elements* and *Executive Compensation, Say-on-Pay,* *Independence of Advisors 2017 Outstanding Equity Awards at Fiscal Year-End, 2017 Option Exercises and Stock Vested at Fiscal Year-End*.

Policies and Procedures with Respect to Related-Party Transactions

The charter of our audit committee requires that members of the audit committee, all of whom are independent directors, review and oversee all related-party transactions in accordance with applicable rules and regulations. In addition, the audit committee is responsible for reviewing, approving and monitoring our Code of Business Conduct. Our Code of Business Conduct prohibits conflicts of interest as a matter of policy, except with the informed written consent of our board of directors or a committee of our board of directors in the case of a director or executive officer. There were no related-party transactions during 2017 that did not require review, approval or ratification pursuant to our policies and procedures, or for which such policies and procedures were not followed. Except for the compensation of directors and executive officers described earlier and as set forth above, none of our directors, executive officers or holders of more than 5% of our common stock were involved in any related-party transactions.

EXECUTIVE COMPENSATION, SAY-ON-PAY, INDEPENDENCE OF ADVISORS

Compensation Discussion and Analysis

Overview

This compensation discussion and analysis describes our executive compensation program and philosophy and the material elements of compensation awarded to, earned by, or paid to our chief executive officer, chief financial officer and our other executive officers named in the Summary Compensation Table, or Named Executive Officers, for the year ended December 31, 2017. Our Named Executive Officers for 2017 were as follows:

- Scott N. Flanders, Chief Executive Officer
- David K. Francis, Chief Financial Officer and Chief Operating Officer
- Timothy J. Hannan, Chief Marketing Officer
- Robert S. Hurley, President, Carrier and Business Development
- Tom G. Tsao, Former President, Small Business, Individual and Family Products

Pursuant to relevant SEC rules, any individual who serves as the principal executive officer or principal financial officer for any portion of the year must be included as a Named Executive Officer, and certain other executive officers and former executive officers must also be included. Mr. Hannan joined us as the chief marketing officer in June 2017 and Mr. Tsao resigned as President, Small Business, Individual and Family Products in March 2017. We did not have any other executive officers in 2017 other than the individuals listed above. The compensation of these Named Executive Officers is presented in the compensation tables in this proxy statement and is discussed in this compensation discussion and analysis. Certain payments and benefits received by our Named Executive Officers also are discussed in the section entitled *Employment Agreements, Separation Agreements and Change of Control Arrangements* on page 51 of this proxy statement.

Our Business Environment and Certain Achievements

Our key objectives for the year were:

- To grow our Medicare business on a cost-basis that allows for attractive and sustainable margins;
- To focus specifically on establishing a larger and more aggressive growth profile in the Medicare Supplement market;
- To strengthen our Medicare telesales organization;

To build a foundation for growth in our Small Business health insurance business; and

To re-establish growth in our individual and family health insurance business after several years of regulatory and market headwinds.

Medicare-related Health Insurance: In 2017, we continued to grow our Medicare business. The number of estimated Medicare members that we had at the end of 2017 grew 26% compared to 2016 and our 2017 Medicare revenue grew 28% compared to the prior year. We were also successful in scaling our presence in the Medicare Supplement market with a 44% growth in estimated Medicare Supplement membership as of the end of 2017 compared to 2016. The number of total 2017 submitted Medicare applications grew 10% year-over-year, a slowdown compared to a 31% submitted application growth that we generated in 2016. This slow-down was driven primarily by a shift in our demand generation efforts away from expensive paid search and lead generation marketing and towards strategic partnerships, organic search and in-house management of television advertising and direct mail campaigns. As a result of these initiatives, we were able to significantly reduce our variable marketing costs per submitted Medicare application during the 2017 Medicare annual enrollment period, reversing a multi-year trend of inflation in our acquisition costs. We also made progress in making our in-house telesales organization more efficient in converting consumer demand and started to build out a network of call center partners to handle peak-time demand more cost-effectively.

Small Business Health Insurance: In our small business health insurance market, the estimated year-end membership in 2017 grew 7% compared to 2016, and commission revenue for the full year 2017 grew 15% compared to 2016. The number of approved new members grew in excess of 75% in 2017, a significant acceleration compared to 24% growth that we generated in 2016. During the year, we invested in the enhancement of our small business technology platform and fulfillment capabilities and expanded our marketing initiatives in the small business area.

Individual and Family Health Insurance: The individual and family health insurance market remained challenged in 2017 in the absence of favorable regulatory changes under the current administration. Consumers faced continuing premium inflation, lack of quality products and a shortened open enrollment period which ran from November 1 to December 15 in 2017. News coverage around the potential repeal of the Affordable Care Act, repeal of the individual mandate and other policy changes contributed to confusion in the market and adversely impacted consumer demand during the year. Our 2017 submitted applications for all individual and family plan products declined 51% compared to 2016 with estimated membership as of year-end declining 38% compared to 2016 year-end. The decline in membership had a negative impact on our 2017 individual and family health insurance commission revenues, which declined 45% year-over-year. Despite the recent decline in new enrollments, we point out as a significant strength that our individual and family plan business remained profitable and cash flow positive on a standalone basis.

Benefit Packages and Ancillary Products: During the year, we continued to pursue cross-selling of ancillary products such as vision and dental policies to our customers on individual and family plan and Medicare products. In addition, in 2017 we introduced a number of health insurance benefit packages specifically designed to meet a wider range of consumer health insurance and price needs compared to Affordable Care Act-compliant major medical products and invested in marketing and fulfillment of these packages.

Overall Results: Our total revenue in 2017 declined 8% compared to 2016, as growth in Medicare and small business was not enough to offset declining revenue in our individual and family health insurance business. Our 2017 Adjusted EBITDA declined year-over-year to $(15.3) million compared to $5.7 million in 2016. Adjusted EBITDA is calculated by adding stock-based compensation, depreciation and amortization expense, acquisition costs related to our recently completed acquisition of GoMedigap, restructuring benefit, amortization of intangible assets, other income (expense), net and provision (benefit) for income taxes to GAAP net loss. This decline was driven in part by a reduction in our individual and family health insurance plan membership, and continued investment in our Medicare, small business and packaged product initiatives. Cash flow from operations was negative $15.5 million in 2017 compared to positive $4.1 million in 2016.

Executive Compensation Summary

Pay for Performance

The focus of our executive compensation program is to tie the pay of our Named Executive Officers to their performance and the company s performance. Accordingly, while we pay competitive base salaries and other benefits, the majority of our Named Executive Officers compensation opportunity is tied to variable pay based on company performance.

During 2017, the compensation of our chief executive officer primarily consisted of base salary and a mix of performance-based and service-based long-term equity incentive awards. During 2017, the compensation of our Named Executive Officers other than our chief executive officer primarily consisted of base salary, an annual cash incentive award, and a mix of performance-based and service-based long-term equity incentive awards. The compensation of our Named Executive Officers is discussed in more detail below.

For 2017, our chief executive officer was eligible to earn up to approximately 78% of his total target direct compensation in the form of variable long-term equity incentives. For 2017, our other Named Executive Officers (excluding the Named Executive Officer who terminated employment during 2017) were eligible to earn up to approximately 64% (on average) of their total target direct compensation in the form of variable annual cash incentives and long-term equity incentives. The following charts illustrate the pay mix of our chief executive officer and the average pay mix of our other Named Executive Officers for target total direct compensation (excluding the Named Executive Officer who terminated employment with us during 2017):

Chief Executive Officer 2017 Pay Mix

Other Named Executive Officers 2017 Pay Mix

As used in the above charts, total target direct compensation includes annualized base salary, variable annual cash incentives and long-term equity incentives, but excludes other compensation such as relocation and travel payments and 401(k) matching contributions. Base salary is calculated based on the annualized base salary as of December 31, 2017 and not actual salary earned for partial year of employment. The variable annual cash incentives and long-term performance-based equity incentives are calculated assuming all cash bonuses were awarded, and performance-based equity incentives were earned, at 100% of their target levels. The long term equity incentives are calculated using the grant date fair value of the of the equity awards computed in accordance with FASB ASC Topic 718. Accordingly, the amounts do not reflect the actual amounts awarded to our chief executive officer and other Named Executive Officers. In addition, the percentages do not account for payments we make for health and life insurance benefits.

The performance-based, long-term equity incentives for our chief executive officer were eligible to be earned based on our financial performance in 2017 and on achieving certain stock price thresholds over a four-year period. The annual cash incentives for our Named Executive Officers other than the chief executive officer were eligible to be earned based on our financial performance in 2017, while the performance-based, long-term equity incentives were eligible to be earned based on achieving certain stock price thresholds over a four-year period.

Corporate Governance Best Practices

Our compensation committee, assisted by its independent compensation consultant, Radford, an Aon Hewitt Company (Radford), stays informed of developing executive compensation best practices and strives to implement them. In this regard, our best practices include:

- In 2017 tying approximately 90% of the equity awards granted to the chief executive officer to achieving revenue and adjusted EBITDA performance for the year ended December 31, 2017 as well as achieving certain levels of stock price performance within the four years following the date of grant, subject to additional one-year of time-based vesting upon achievement of the stock price threshold;

- In 2017 tying approximately 73% of the equity awards granted to the chief financial officer and chief operating officer and 50% of the equity awards granted to the other Named Executive Officers, to achieving certain levels of stock price performance within the four years following the date of grant, subject to additional one-year of time-based vesting upon achievement of the stock price threshold;

Additional Amounts	Subject to certain exceptions and limitations described in "Description of Debt Securities — Payment of Additional Amounts" in the accompanying Prospectus, we will pay such additional amounts to holders of the Notes as may be necessary in order that the net payment of the principal of the Notes and any other amounts payable on the Notes, after withholding for or on account of any present or future tax, assessment or governmental charge imposed upon or as a result of such payment by The Netherlands (or any political subdivision or taxing authority thereof or therein) or the jurisdiction of residence or incorporation of any successor corporation (other than the United States), will not be less than the amount provided for in the Notes to be then due and payable.
Book entry	The indenture for the Notes permits us at anytime and in our sole discretion to decide not to have any of the Notes represented by one or more registered global securities. DTC has advised us that, under its current practices, it would notify its participants of our request, but will only withdraw beneficial interests

from the global security at the request of
each DTC participant.

THE ROYAL BANK OF SCOTLAND N.V.

Fixed to Floating Rate Notes

UNITED STATES FEDERAL INCOME TAXATION

This section supplements the discussion in the Prospectus Supplement dated April 2, 2010 under the heading "United States Federal Income Taxation" and should be read in conjunction with that discussion.

The Notes will be OID Notes, as such term is defined in the Prospectus Supplement. A portion of the interest will be considered to be "qualified stated interest" and the remainder will be considered to be "original issue discount" ("OID"). A U.S. holder will be required to include the OID in income as it accrues regardless of the U.S. holder's method of accounting.

Under the rules applicable to OID Notes, U.S. Holders generally will be taxed on less interest income than cash received when paid interest at the Initial Interest Rate but will be taxed on more interest income than cash received when paid interest at the Floating Rate. Cash received in excess of the qualified stated interest and OID allocated to the accrual periods during which the Notes pay interest at the Initial Interest Rate will reduce the U.S. Holder's basis in the Notes.

Recent Tax Developments

Recently enacted legislation requires certain individuals who hold “debt or equity interests” in any “foreign financial institution” that are not “regularly traded on an established securities market” to report information about such holdings on their U.S. federal income tax returns, generally for tax years beginning in 2011, unless a regulatory exemption is provided. Prospective investors should consult their tax advisors regarding this legislation.

USE OF PROCEEDS

The net proceeds we receive from the sale of the Notes will be used for general corporate purposes and, in part, by us or one or more of our affiliates in connection with hedging our obligations under the Notes. The issue price of the Notes includes the selling agents' commissions (as shown on the cover page of this Term Sheet) paid with respect to the Notes and the cost of hedging our obligations under the Notes.

PLAN OF DISTRIBUTION (CONFLICTS OF INTEREST)

We have appointed RBS Securities Inc. ("RBSSI") as agent for any offering of the Notes. RBSSI has agreed to use reasonable efforts to solicit offers to purchase the Notes. We will pay RBSSI, in connection with sales of the Notes resulting from a solicitation such agent made or an offer to purchase such agent received, a commission of 2.25% of the initial offering price of the Notes. RBSSI has informed us that, as part of its distribution of the Notes, it intends to reoffer the Notes to other dealers who will sell the Notes. Each such dealer engaged by RBSSI, or further engaged by a dealer to whom RBSSI reoffers the Notes, will purchase the Notes at an agreed discount to the initial offering price of the Notes. RBSSI has informed us that such discounts may vary from dealer to dealer and that not all dealers will purchase or repurchase the Notes at the same discount. You can find a general description of the commission rates payable to the agents under "Plan of Distribution" in the accompanying Prospectus Supplement.

RBSSI is an affiliate of ours and Holdings. RBSSI will conduct each offering of Notes in compliance with the requirements of NASD Rule 2720 of the Financial Industry Regulatory Authority Inc., which is commonly referred to as FINRA, regarding a FINRA member firm's distribution of securities of an affiliate. Following the initial distribution of any of these Notes, RBSSI may offer and sell those Notes in the course of its business as broker-dealer. RBSSI may act as principal or agent in these transactions and will make any sales at varying prices related to prevailing market prices at the time of sale or otherwise. RBSSI may use this Term Sheet and the accompanying Prospectus Supplement and Prospectus in connection with any of these transactions. RBSSI is not obligated to make a market in any of these Notes and may discontinue any market-making activities at any time without notice.

RBSSI or an affiliate of RBSSI may enter into one or more hedging transactions with us in connection with this offering of Securities. See "Use of Proceeds" above.

To the extent that the total aggregate face amount of the Securities being offered by this Term Sheet is not purchased by investors in that offering, one or more of our affiliates may agree to purchase a portion of the unsold Securities, and to hold such Securities for investment purposes. See "Holdings of the Notes by our Affiliates and Future Sales" under the heading "Risk Factors."

THE ROYAL BANK OF SCOTLAND N.V.

Fixed to Floating Rate Notes

CERTAIN EMPLOYEE RETIREMENT INCOME SECURITY ACT CONSIDERATIONS

ERISA and Section 4975 of the Code impose certain requirements on Plans and persons who are fiduciaries or "parties in interest" as defined in ERISA or "disqualified persons" as defined in Section 4975 of the Code with respect to them. In addition, Non-ERISA Arrangements that are not subject to Section 406 of ERISA or Section 4975 of the Code may be subject to Similar Laws. A fiduciary of a Plan should consider fiduciary standards under ERISA (or, in the case of a Non-ERISA Arrangement, any requirements under Similar Law) in the context of the particular circumstances of that Plan or Non-ERISA Arrangement before authorizing an investment in the Notes. A fiduciary also should consider whether the investment is authorized by, and in accordance with, the documents and instruments governing the Plan or Non-ERISA Arrangement. In addition, a fiduciary should consider whether the acquisition of Notes may result in any non-exempt transactions prohibited by Section 406 of ERISA, Section 4975 of the Code, or any provision of Similar Law. Each purchaser of the Notes and each fiduciary who causes any entity to purchase or hold a Note shall be deemed to have represented and warranted, on each day such purchaser holds a Note, that either (i) it is neither a Plan nor a Non-ERISA Arrangement and it is not purchasing or holding Notes on behalf of or with the assets of a Plan or a Non-ERISA Arrangement; or (ii) its purchase, holding and subsequent disposition of such Notes shall not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA, Section 4975 of the Code or any provision of Similar Law. Fiduciaries of any Plans and Non-ERISA Arrangements should consult their own legal counsel before purchasing the Notes.

For additional ERISA considerations, see "Benefit Plan Investor Consideration" in the accompanying Prospectus.