DECLARATION OF MAILING
I declare under penalty of perjury under the laws of the State of Washington that on the date listed below I mailed or caused delivery of a true copy of this document to
Mary Cotter
DATED this 20th day of September, 2006
at Olympia, Washington.
Signed: Marvin Helen

STATE OF WASHINGTON

FILED

2006 DEC 19 P 3:14

Hearings Unit, DIC
Patricia D. Petersen
Chief Hearing Officer

OFFICE OF INSURANCE COMMISSIONER

In the Matter of	)	
	)	ORDER NO. D06-261
eHealthInsurance Services, Inc.,	)	
	)	ORDER TO CEASE AND DESIST
A Licensed Insurance Agent	)	

Pursuant to RCW 48.02.060, RCW 48.02.080, RCW 48.30.010, and RCW 48.30.040, the Office of the Insurance Commissioner ("OIC") orders eHealthInsurance Services, Inc., and its officers, directors, employees, trustees, agents, and affiliates ("Respondents") to immediately cease and desist from:

A. Any publication or distribution of the advertisement entitled "The Most Affordable Cities for Children's & Family Health Insurance" ("the advertisement") which includes any quote or rate for a Washington city that:

1. Does not comply with the methodology set forth in the "methodology" section of the advertising, or which does not clearly indicate the exact nature of any deviation from that methodology; or

2. Is not current at the time of publication; or

3. Is not the product of a survey comprising all of the policies or contracts and companies or health plans claimed in the text of the advertisement, unless the advertisement specifically states the limitations of the data, including the number of policies and companies actually surveyed to obtain the quote; or

4. Is not the lowest rate obtainable from any source for residents of that city, unless the advertisement clearly indicates that lower rates are or may be available from sources other than the eHealthInsurance.

B. Granting permission to any other entity for, or participating in any way with, republication of the false and misleading information contained in the

advertisement as set forth in sections 5, 6, and 8 of the section headed "Facts"; and

C. Publication on its website, eHealthInsurance.com, of any insurance rates which are not verified to be correct and current.

As used in this Order, "publication" has the meaning given to it in Black's Law Dictionary, Sixth Edition:

> "To make public; to make known to people in general; to bring before public; to exhibit, display, disclose or reveal. The act of publishing anything; offering it to public notice, or rendering it accessible to public scrutiny. An advising of the public; a making known of something to them for a purpose. It implies the means of conveying knowledge or notice."

This definition explicitly includes the following:

A. Printing and distribution of this advertisement or submitting it to any publication whether print, television, radio, internet, or other, for distribution to people in general, or any group of people in particular; or

B. Granting permission, providing information, or assisting in any way with the republication of this information by any one else.

THIS ORDER IS BASED ON THE FOLLOWING:

FACTS

1. eHealthInsurance is a licensed insurance agent in the State of Washington.

2. On July 19, 2006, eHealthInsurance published a document entitled "The Most Affordable Cities for Children's & Family Health Insurance" ("The Advertisement"). This document purported to be a "report" and stated that it was created, in part, "to be used as a reference when making relocation decisions". This document is advertising as defined by WAC 284-50-030.

3. The advertisement indicates that the cities were ranked based upon the lowest available health insurance premium which met certain selection criteria, among them a maximum of a $2,000 family deductible and 20% coinsurance. It stated, in large print on the first page after the title page, that the quotes were based upon examination of 5000 health insurance plans from 140 health insurance companies in the 100 most populous cities in America, using eHealthInsurance.com as the source of the premiums in all but 3 cities. On the last page, in a font smaller than that used on the first page, the advertisement indicated that the quotes were obtained in March, 2006 by placing the sample criteria into the eHealthInsurance.com website and obtaining a quote.

4. The advertisement listed Spokane, Washington as the most expensive city for family health insurance, listing a premium of $962.00 per month.

5. The only information in the advertisement regarding the source of the information is the large print on the first page which suggests that this quote is the result of an examination of "5,000 health insurance plans from 140 health insurance companies". The advertisement does not reveal that eHealthInsurance was authorized to sell health insurance from only four companies in Spokane, so that rates from only those four companies would have been used to obtain the quote for Spokane under the company's published methodology. Further, the premium listed for Spokane was based upon a quote from only one of these four companies – the one with the highest rate. Finally, the advertisement does not reveal that the same coverage was and is available in Spokane at lower rates from other carriers whose policies eHealthInsurance is not authorized to sell.

6. The March, 2006 quote in the advertisement, represented as the lowest available in the city, indicates that plans from any other insurers who were listed on the eHealthInsurance website at the time of the advertisement, July 19, 2006, were more expensive. This is false. There were three other insurers with plans that were approved and available for sale through eHealthInsurance between March and July of 2006 whose rates were lower. Any consumer going to the eHealthInsurance website in July, after seeing the advertisement, would thus be misinformed and conclude that all of the other plans currently listed were more expensive than the Group Health plan. This conclusion would be false because the premise of the ad is false.

7. Some or all of the false statements contained in this advertisement have been re-published with the knowledge and consent of eHealthInsurance in national and regional publications, including newspapers, web-based magazines, and Parade Magazine, a publication which is included with Sunday newspapers nationwide. On the bottom of every page, the initial advertisement offered a name and phone number to contact for permission to reprint or use the data. When asked for permission to republish, respondents granted this permission. Respondents are responsible for each and every publication of this information based upon such permission.

8. During OIC's investigation of this matter, it was revealed that at least some of the rates being advertised by the licensee on eHealthInsurance.com were similarly false.

VIOLATIONS

1. Violation of RCW 48.30.040, False Information and Advertising by publishing and offering permission to other entities to re-publish false, deceptive or misleading advertising regarding insurance.

2. Violation of WAC 284-50-050, Form and Content of Advertisements, and WAC 284-50-060(1), Deceptive Words, Phrases, or Illustrations Prohibited, by publishing an advertisement that includes incomplete, unclear information and false implications, rendering it deceptive and misleading, and also by publishing erroneous rates.

3. These violations constitute unfair methods of competition and unfair or deceptive acts or practices in the conduct of the business of insurance, pursuant to RCW 48.30.010 and WAC 284-50-210.

Any violation of the terms of this Order by eHealthInsurance Services, Inc., its officers, directors, agents, or affiliates, will subject the violator(s) to the full penalties authorized by RCW 48.02.080, 48.17.530, and other applicable Code sections.

Respondents have the right to demand a hearing pursuant to RCW Chapters 48.04 and 34.05. This Order shall remain in effect subject to the further order of the commissioner.

THIS ORDER IS EFFECTIVE IMMEDIATELY AND IS ENTERED at Tumwater, Washington this 20th day of September, 2006.

MIKE KREIDLER
WASHINGTON STATE INSURANCE COMMISSIONER

Andrea L. Philhower

By: Andrea L. Philhower
Staff Attorney, Legal Affairs Division