Preliminary OE4 Lessons Learned
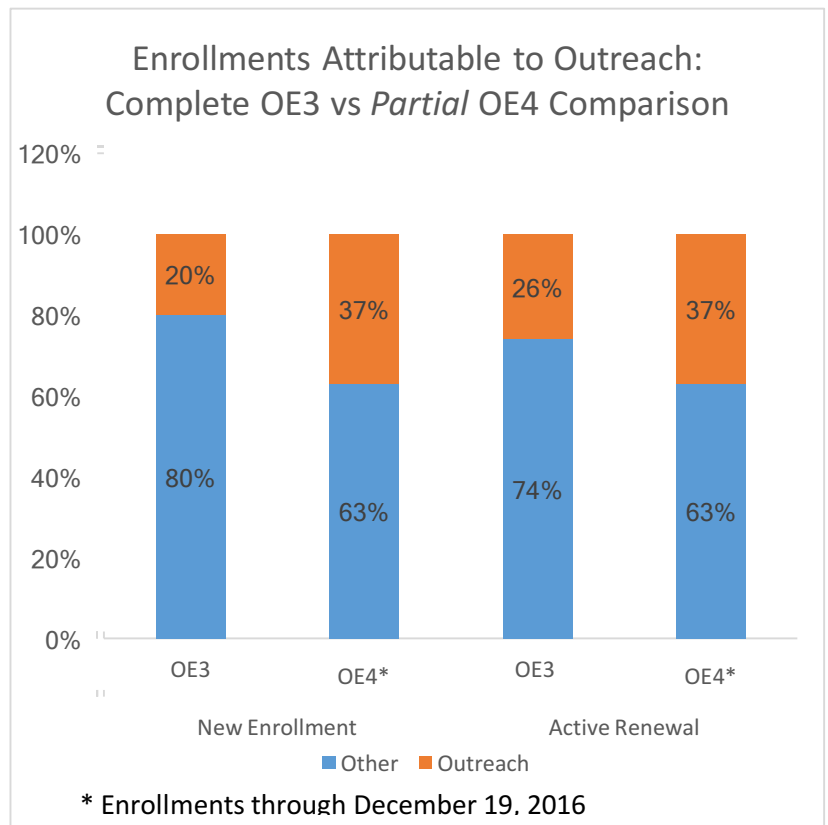
Methodology and Limitations

- We assessed enrollment data from November 1 to December 19, 2016 and made comparisons to the same data from November 1 to January 31, 2016.

- For paid outreach, we used the same econometric modelling framework for assessment that we used during OE3. For OE4 we had more granular TV new enrollment data which may have allowed us to more accurately attribute new enrollments to paid outreach. Where possible modelling findings are validated with separate test and control analyses. In all possible instances (TV, Generic search, and Radio) these were found to produce similar results. The model turnarounds for this preliminary analysis were very quick. **As such they should be taken as indicative rather than definitive, results are subject to change with a deeper modelling approach that will follow the end of OE4.**

- For direct response (email, autodial and SMS), we ran a single controlled experiment through the December 19th deadline – this provides our most accurate assessment of the impact of direct response to date.

- This analysis does not incorporate the impact of: Spanish language outreach, Outdoor advertising or direct mail, so these results likely underestimate the impact of our outreach.

Overall Impact

Like our OE3 analysis, the purpose of this analysis is to measure the marginal impact of outreach or the number of consumers who enrolled in OE4 <u>who would not have had they not seen outreach</u>. The topline results through December 19, 2016 are:

- Overall, 37% of enrollments (2.33M) were directly attributable to outreach.
- 37% of new enrollment (751k) was directly attributable to outreach. To compare, *for all of OE3*, we saw 20% (821k) of new enrollment directly attributable to outreach.
- 37% of active returners (1.58M) were directly attributable to outreach. To compare, *for all of OE3*, we saw 26% (1.03M) of active returners were directly attributable to outreach.

Enrollments Attributable to Outreach: Complete OE3 vs *Partial* OE4 Comparison

New Enrollment — OE3: Other 80%, Outreach 20%; OE4*: Other 63%, Outreach 37%
Active Renewal — OE3: Other 74%, Outreach 26%; OE4*: Other 63%, Outreach 37%

■ Other ■ Outreach

* Enrollments through December 19, 2016

Key Lessons Learned

- **Paid media had a larger impact on enrollments in OE4 than OE3.** In OE3, 11% of New enrollments and 14% of Re-enrollments were attributable to paid media. For OE4, this is up to 48% and 30%, respectively through December 17, 2015 and December 19, 2016.

- **Direct response continues to drive both volume and efficiency for new and returning enrollment.** Direct response drove almost as many new enrollments as TV\Radio and was the top driver active renewal, but like last year was able to do so extremely efficiently.

- **National TV continues to be a major enrollment driver:** National TV drove the largest enrollment volume, its importance has increased year over year. This improvement was particularly pronounced for active renewals.

- **We see diminishing returns of TV starting at 200 GRPs.** There's evidence that effectiveness of TV begins to decline after 200 GRPs and there are little gains going above 300 GRPs. This is a significant finding which should allow us to more efficiently buy TV in future years.

- **Mobile advertising appears to be one of our most efficient paid channels with a preliminary CPA of $9.3**. However this has a wider confidence interval when compared to TV.

- **Branded Search continues to be a strong channel, with an efficient CPA ($27.8 – Through Dec 19) that is relatively similar to OE3 ($23 – All OE).**

- **Other digital channels (display, Facebook and video) all had a significant impact on results though relatively less efficient than the channels above.** The long tail of digital channels contributed much more to enrollment this year. However, digital audio was not found to be effective.

- **Radio is effective.** This year, we made a major radio buy for the first time and it was particularly good at driving new consumers to enroll.

- **Impact of outdoor advertising is inconclusive.** Outdoor advertising shows results that appear to be too high and are indicative of a missing control variable. As a result, we have not included these enrollments in our impact totals.

Outreach driven enrollment volume by Channel Complete OE3 vs *Partial OE4* Comparison

Legend: OE3 New, OE4 New*, OE3 Returning, OE4 Returning*

* Enrollment through December 19, 2016