Humana Inc.
Fourth Quarter 2017
Earnings Conference Call

February 7, 2018

Cautionary Statement

This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. When used in investor presentations, press releases, Securities and Exchange Commission (SEC) filings, and in oral statements made by or with the approval of one of our executive officers, the words or phrases like "expects," "anticipates," "believes, " "intends," "likely will result," "estimates," "projects" or variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties, and assumptions, including, among other things, information set forth in the "Risk Factors" section of our SEC filings, as listed below.

In making these statements, Humana is not undertaking to address or update these statements in future filings or communications regarding its business or results. In light of these risks, uncertainties and assumptions, the forward-looking events discussed herein might not occur. There also may be other risks that we are unable to predict at this time. Any of these risks and uncertainties may cause actual results to differ materially from the results discussed in the forward-looking statements.

Humana advises investors to read the following documents as filed by the company with the SEC:

- Form 10-K for the year ended December 31, 2016;
- Form 10-Q for the quarter ended March 31, 2017, June 30, 2017, September 30, 2017; and
- Form 8-Ks filed during 2017 and 2018

Investors are also advised to read Humana's 4Q17 earnings press release dated February 7, 2018 which is available via the Investor Relations page of Humana's web site, humana.com.

Non-GAAP Financial Measures

This slide presentation includes financial measures which are not in accordance with Generally Accepted Accounting Principles (GAAP).

Humana has included these non-GAAP financial measures since management believes these measures, when presented in conjunction with the comparable GAAP measure, are useful to both management and its investors in analyzing the company's ongoing business and operating performance. Consequently, management uses these non-GAAP financial measures as an indicator of business performance, as well as for operational planning and decision-making purposes.

These non-GAAP measures should be considered in addition to, but not as a substitute for, or superior to, the financial measures prepared in accordance with GAAP.

Refer to slides 17–20 within this deck for a reconciliation of Adjusted (non-GAAP) measures to GAAP.

Strategy & Operations Update

Bruce D. Broussard
President and Chief Executive Officer

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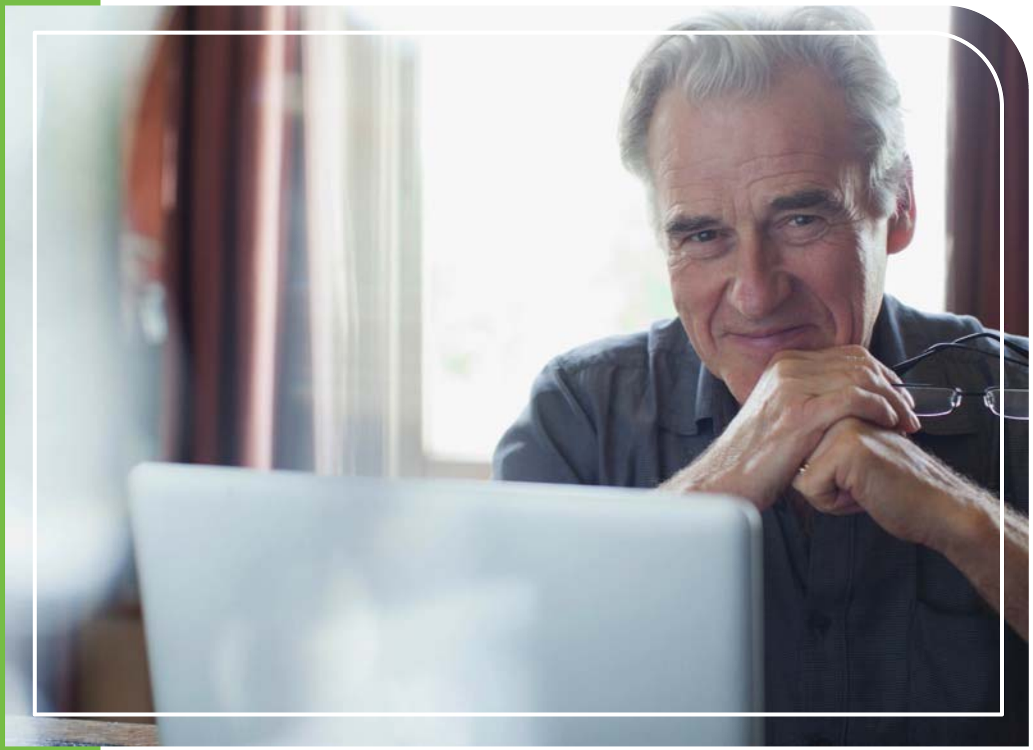
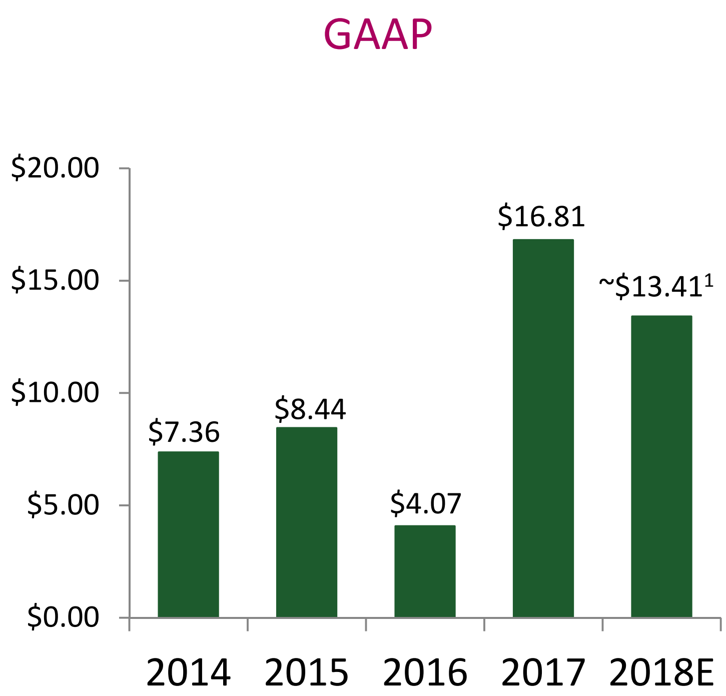
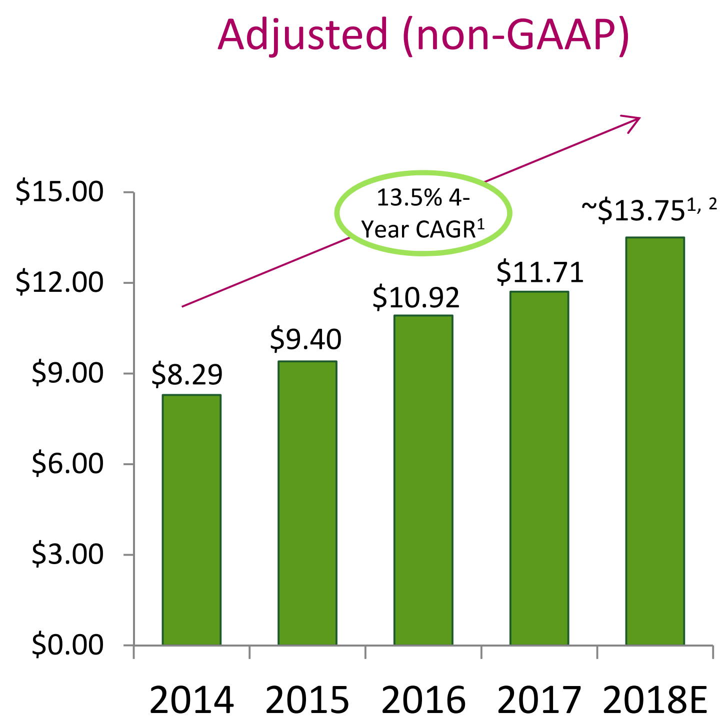


Double digit compound annual growth rate in earnings per diluted common share (EPS)

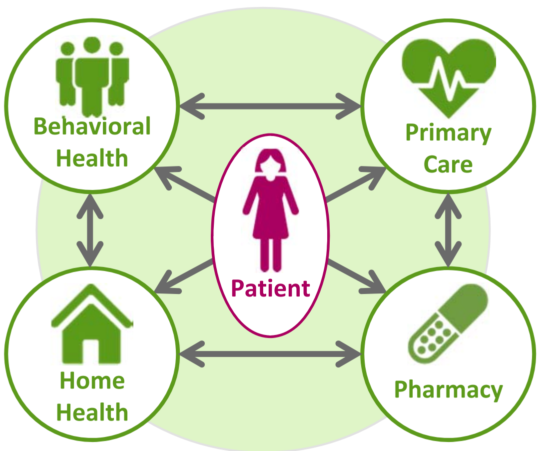




1. Using mid-point of 2018 guidance range 2. Includes a net benefit of ~$2.00 EPS as a result of the tax reform law enacted December 22, 2017

Our care model integrates key points of influence in priority local markets

We will integrate with key service providers…



- Most important points of influence in a local market
- Range of relationship/ownership models

…Changing our relationship with consumers and providers…

- Aligned incentives
- More frequent and meaningful touchpoints with consumers
- Connectivity throughout the ecosystem enabling seamless data sharing and advanced analytics

…Unlocking sustainable long-term growth

- ✓ **Differentiated consumer experience and value proposition**
- ✓ **Increased brand commitment**
- ✓ **Better health outcomes, higher quality, and lower medical costs**
- ✓ **Growing Healthcare Services segment revenue and margin**
- ✓ **Increased retention and sustainable at or above market Medicare Advantage growth**

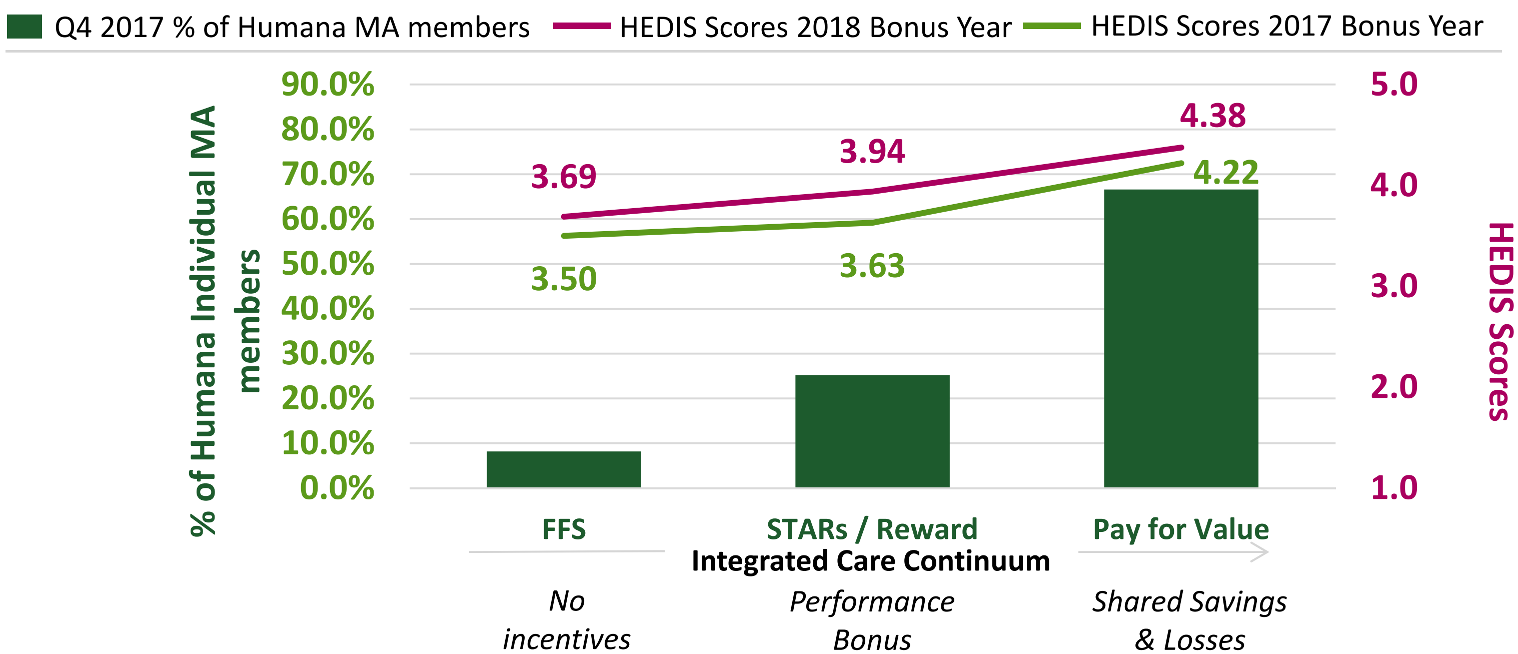
Consolidating our provider brands in South Florida and Texas under one brand to form a physician led, payor-agnostic platform

MCCI Medical Group
CAC Florida Medical Centers
Continucare Medical Centers
MetCare

conviva™

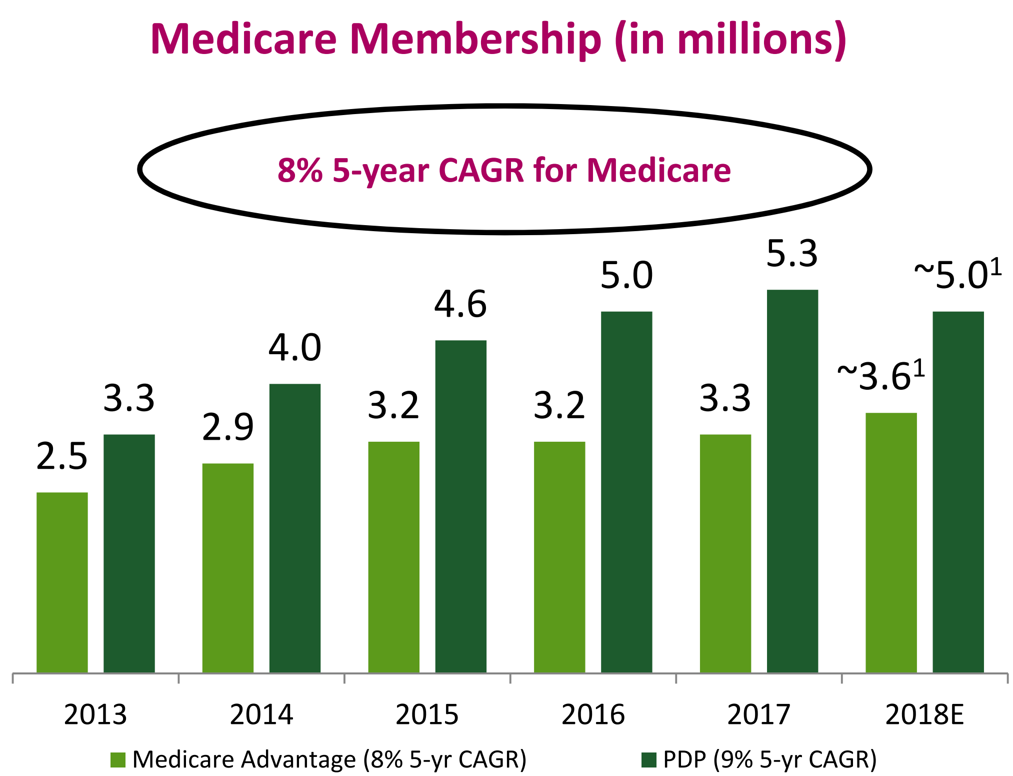
Higher levels of provider integration across the integrated care continuum result in improved quality and lower costs

Humana experience with primary care providers moving to value-based relationships[1]



1) Value-based relationships includes providers participating in Path to Risk and Risk/MSO programs.

Strong Medicare Advantage and PDP membership growth



1. Using mid-point of guidance range

Tax Reform - Investments to increase the affordability of healthcare and drive long-term growth and sustainability

✓ Investments in employees, the communities we serve and the business ~50%

- Recurring investments to drive long-term success and reward employees
  - Increased minimum wage to $15
  - Accelerated annual all associate performance-based incentive compensation program planned to begin in 2019 into 2018, more closely aligning 28,000 additional employees to the business
  - Increased recognition for our associates through additional targeted performance-based incentives
- Investments in the communities of the members we serve to assist in social determinants of health for seniors
- Accelerated investments in technology and operational processes designed to:
  - Reduce consumer and clinician friction points
  - Augment engagement in health-related activities
  - Drive increased productivity and better clinical outcomes
  - Make healthcare and coverage more affordable

✓ Return to shareholders ~50%

Financial Update

Brian A. Kane
Chief Financial Officer

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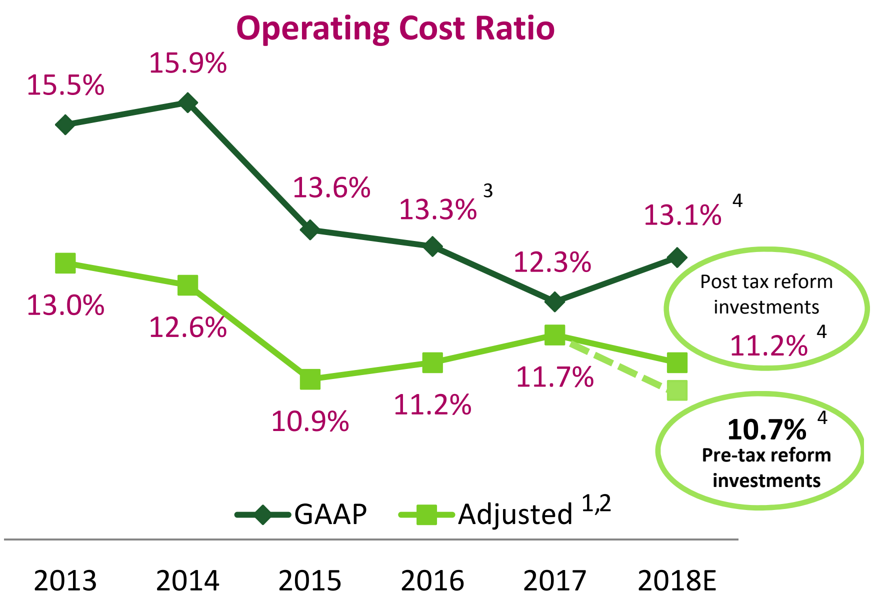
Productivity initiatives yield significant savings, better clinical outcomes and an improved customer experience



- **Process Transformation Office focused on 3 key processes:**
  - **Processing claims**
  - Designing and delivering **member communications**
  - Resolving **member inquiries and issues**
- **Other admin and IT cost savings initiatives designed to reduce friction points and simplify the customer experience**
  - **Reduced call transfers** by 13% from November 2016 to November 2017
  - **"Big Data"** allowing **integration** and data mining, including clinician notes
  - **Customer Relationship Management System** providing a longitudinal view of our members

1. All periods presented are adjusted, as applicable, to exclude the individual commercial medical business, the health insurer fee, transaction costs associated with the terminated merger agreement, Concentra Inc. operating results, guarantee fund assessment expense to support policyholder obligations of Penn Treaty (an unaffiliated long-term care insurance company), and voluntary and involuntary workforce reduction programs.
2. Represents an Adjusted financial measure that is not in accordance with Generally Accepted Accounting Principles (GAAP).
3. Recast to exclude merger termination fee and related costs, net. Beginning 1Q 2017, these costs are now presented in a separate line from operating costs for GAAP and excluded from the ratio.
4. Using mid-point of 2018 guidance range

Impact of Tax Reform on 2018

- Estimated 2018 effective tax rate of 32.5% to 33.5%, including impact of the Health Insurer Fee (HIF) in 2018 compared to an adjusted effective tax rate of 46.5%[1] for full year 2017

$ in millions, except EPS	**Tax Benefit**	**EPS impact**
Gross tax benefit from reduced corporate tax rate	~$550	~$4.00
Investments in long-term growth and sustainability *(Employees, Community, and the Business)*	(~$275)	~($2.00)
Net incremental benefit from tax reform returned to shareholders	~$275	~$2.00

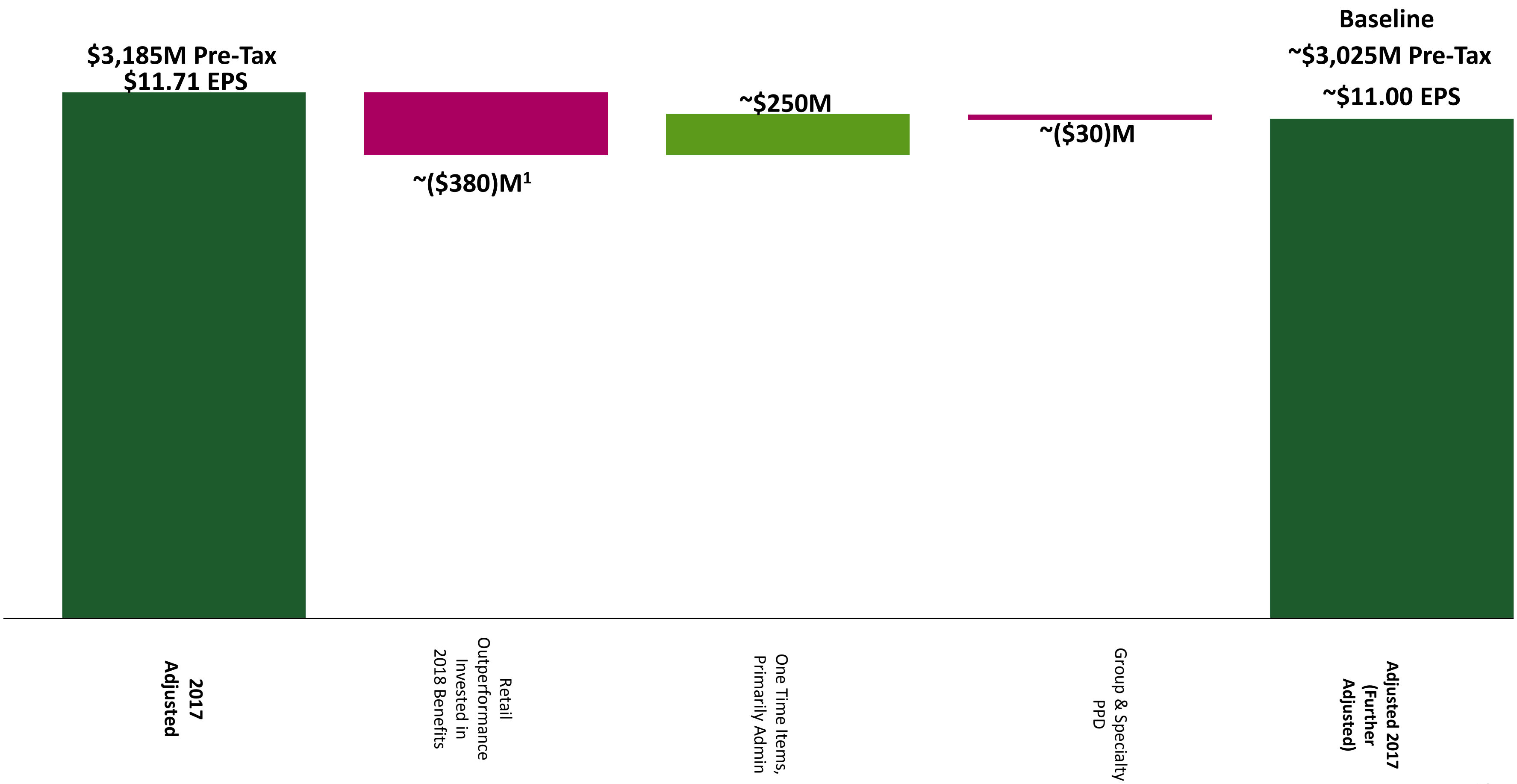
Note: All amounts presented in the table above are after-tax

- Most of the investments will be in the Retail segment in operating costs and will result in a corresponding decline in pretax margins

- We will continue to target individual Medicare Advantage pretax margins of 4.5%-5.0% over time

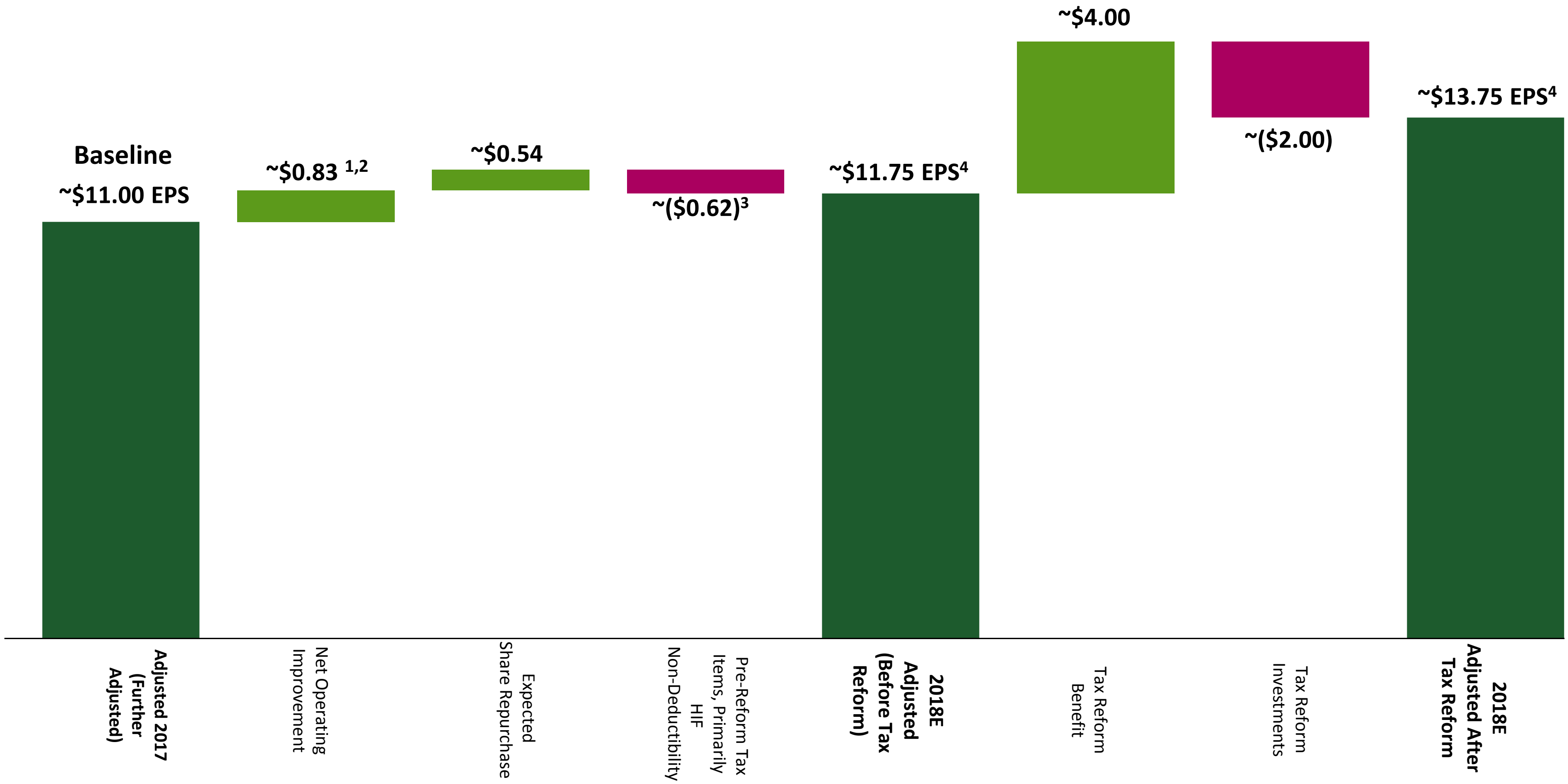
1. Adjusted to include the estimated impact of the non-deductibility of the HIF had there not been a moratorium for 2017

EPS - 2017 Adjusted to 2017 Baseline



1. Amount represents the reinvestment of the Retail segment's 2017 medical expense ratio (MER) outperformance of ~100bps

EPS - 2017 Baseline to Adjusted 2018E



1. Amount does not include planned investment of expected tax reform benefit of ~$2.00 EPS 2. Represents ~$190M in pre-tax earnings 3. Amount is primarily made up of the impact of the non-deductibility of the increase in the HIF in 2018 compared to the implied 2017 HIF amount 4. Using mid-point of 2018 guidance range

Questions & Answers

Bruce Broussard
President and Chief Executive Officer

Brian Kane
Chief Financial Officer

Christopher Todoroff
Chief Legal Officer

Non-GAAP Reconciliations

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Reconciliations of GAAP to non-GAAP financial measures

Diluted earnings per common share (EPS)	2014	2015	2016	2017	2018E
Generally Accepted Accounting Principles (GAAP)	$7.36	$8.44	$4.07	$16.81	~$13.16 to $13.66
Adjustments (described below)	*0.93*	*0.96*	*6.85*	*(5.10)*	*~0.34*
Adjusted (non-GAAP) – recast as needed*	$8.29	$9.40	$10.92	$11.71	~$13.50 – $14.00

2018E Adjusted results exclude the following operating (income) losses or expenses:

- (~$0.08) per diluted common share of projected operating earnings for the company's individual commercial medical (Individual Commercial) business given the company's exit on January 1, 2018.
- ~$0.42 per diluted common share of amortization expense associated with identifiable intangibles.

2017 Adjusted results exclude the following operating (income) losses or expenses:

- (~$4.31) per diluted common share of net (gain) expenses associated with the terminated merger agreement, primarily the break-up fee.
- (~$0.84) per diluted common share of projected operating earnings for the company's individual commercial medical (Individual Commercial) business given the company's exit on January 1, 2018.
- ~$0.32 per diluted common share of amortization expense associated with identifiable intangibles.
- (~$2.15) per diluted common share for the beneficial effect of a lower effective tax rate in light of pricing and benefit design assumptions associated with the 2017 temporary suspension of the non-deductible health insurance industry fee; excludes portion applicable to the company's Individual Commercial business.
- ~$0.24 per diluted common share of guaranty fund assessment expense to support the policyholder obligations of Penn Treaty (an unaffiliated long-term care insurance company).
- ~$0.64 per diluted common share associated with voluntary and involuntary workforce reduction programs.
- ~$0.08 per diluted common share associated with costs related with the early retirement of debt in the fourth quarter of 2017.
- ~$0.92 per diluted common share associated with the impact of re-measurement of deferred tax assets at lower corporate tax rates under the tax reform law enacted December 22, 2017

* Beginning with its first quarter 2016 results, the company has been adjusting for the exclusion of amortization of identifiable intangibles to align with reporting methods used across the managed care sector. Additionally, in the first quarter of 2017 the company announced it would be exiting the Individual Commercial business effective 01/01/18. For comparability, adjusted amounts for prior periods have been recast to also exclude amortization expense and losses associated with the Individual Commercial business.

Reconciliation of GAAP to non-GAAP financial measures
continued

2016 Adjusted results exclude the following losses or expenses:
- $3.78 per diluted common share of operating losses for the company's Individual Commercial business given the company's exit on January 1, 2018, including the write-off of receivables associated with the risk corridor premium stabilization program.
- $0.64 per diluted common share of transaction and integration costs for the then-pending transaction.
- $0.32 per diluted common share of amortization expense associated with identifiable intangibles.
- $2.11 per diluted common share of reserve strengthening related to the company's non-strategic closed block of long-term care insurance business.

2015 Adjusted results exclude the following (income) losses or expenses :
- $2.00 per diluted common share of operating losses for the company's Individual Commercial business given the company's exit on January 1, 2018; includes impact of premium deficiency reserve related to the company's 2016 ACA-compliant Individual Commercial offerings.
- $0.14 per diluted common share of transaction and integration costs for the then-pending transaction.
- $0.39 per diluted common share of amortization expense associated with identifiable intangibles.
- ($1.57) per diluted common share of gain associated with the company's sale of its wholly-owned subsidiary, Concentra Inc. on June 1, 2015.

2014 Adjusted results exclude the following operating losses or expenses:
- $0.29 per diluted common share of operating losses for the company's Individual Commercial business given the company's exit on January 1, 2018.
- $0.49 per diluted common share of amortization expense associated with identifiable intangibles.
- $0.15 per diluted common share of expenses associated with early retirement of debt.

Reconciliation of GAAP to non-GAAP financial measures
continued

2017 Baseline EPS	**2017**
GAAP	**$16.81**
Adjustments (described on page 18)	*(5.10)*
Adjusted (non-GAAP)	**$11.71**
Retail segment outperformance invested in 2018 benefits	*~(1.65)*
One time items, primarily admin	*~1.07*
Group and Specialty segment Prior Period Development	*~(0.13)*
2017 Further Adjusted EPS (non-GAAP)	**~$11.00**

Reconciliation of GAAP to non-GAAP financial measures

continued

Operating cost ratio	**2013**	**2014**	**2015**	**2016**	**2017**	**2018E**
GAAP– recast as needed*	**15.5%**	**15.9%**	**13.6%**	**13.3%**	**12.3%**	**13.1%**
Results associated with Individual Commercial segment (a)	*(0.4%)*	*(0.4%)*	*(0.4%)*	*(0.5%)*	*(0.2%)*	
Results associated with Concentra Inc. (b)	*(2.1%)*	*(1.8%)*	*(0.8%)*	-	-	-
Health insurance industry fee (c)	-	*(1.1%)*	*(1.5%)*	*(1.6%)*	-	*~(1.9%)*
Guaranty fund assessment expense (d)	-	-	-	-	*(0.1%)*	-
Voluntary and involuntary workforce reduction programs (e)	-	-	-	-	*(0.3%)*	-
Adjusted (non-GAAP) **– recast as needed***	**13.0%**	**12.6%**	**10.9%**	**11.2%**	**11.7%**	**11.2%**
Investments resulting from impact of tax reform law (f)						~(0.5%)
Prior to Tax Reform Investments (non-GAAP)	**13.0%**	**12.6%**	**10.9%**	**11.2%**	**11.7%**	**10.7%**

Adjusted results exclude the following:

a) Results associated with the company's Individual Commercial business given the company's exit on January 1, 2018, including the write-off of receivables associated with the risk corridor premium stabilization program in 2016.
b) Results associated with Concentra Inc., the company's previously wholly-owned subsidiary that was sold in June 2015.
c) The non-deductible health insurance industry fee (excluding the Individual Commercial segment impact).
d) Guaranty fund assessment expense to support policyholder obligations of Penn Treaty (an unaffiliated long-term care insurance company).
e) Expense associated with the voluntary and involuntary workforce reduction programs.
f) Investments made as a result of lower corporate tax rates under the tax reform law enacted on December 22, 2017.

Beginning with its first quarter 2017 results, the company began reporting the impact of merger termination fee and related costs as a separate line item. Therefore, the merger termination fee and related costs do not have an impact on the calculation of the operating cost ratio.

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