UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) **October 31, 2012**

Humana Inc.
(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of Incorporation)

1-5975	**61-0647538**
(Commission File Number)	(IRS Employer Identification No.)

500 West Main Street, Louisville, KY	**40202**
(Address of Principal Executive Offices)	(Zip Code)

502-580-1000
(Registrant's Telephone Number, Including Area Code)

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

Item 7.01 Regulation FD Disclosure.

An earnings release was issued by Humana Inc. this morning reporting financial results for the period ended September 30, 2012, updated 2012 earnings guidance, and financial projections for 2013, a copy of which is attached hereto as Exhibit 99 and is incorporated herein by reference.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements for Certain Officers.

(b) and (c) Election of New Chief Executive Officer

On October 31, 2012, in accordance with the Company's year-long transition plan, Michael B. McCallister, Chairman of the Board and Chief Executive Officer of the Company, gave notice to the Company pursuant to Section 2 of that certain Amended and Restated Employment Agreement, dated as of May 16, 2008 by and between the Company and Mr. McCallister (the "McCallister Employment Agreement") that the Employment Period (as defined in the McCallister Employment Agreement) will terminate as of the close of business on December 31, 2012, and that Mr. McCallister will retire as Chief Executive Officer of the Company at the end of the Employment Period. Mr. McCallister will continue to serve as Chairman of the Board following his retirement. In connection with his retirement, the Company entered into a letter agreement with Mr. McCallister (the "McCallister Letter Agreement").

Pursuant to the McCallister Letter Agreement:

(i) the Company exercised its option under Section 14(a) of the McCallister Employment Agreement to enforce the agreement not to compete set forth therein during the period commencing on January 1, 2013 and ending on the second anniversary of the termination of Mr. McCallister's service as a member of the Board of Directors and, in consideration of such agreement not to compete the Company agreed to pay Mr. McCallister a lump sum on or before January 31, 2013 in the amount of $2,170,000, as well as Mr. McCallister's annual bonus for 2012 which will be paid in the ordinary course; and

(ii) the Company will continue to provide Mr. McCallister benefits (i) during the Term (as defined in the McCallister Letter Agreement), under either the medical, accident and life insurance plans available to members of the Company's Board of Directors or the letter agreement with Company officers concerning health insurance availability (as described in Exhibit 10(mm) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994) (the "Officer's Plan"); and (ii) after the Term, under the Officers Plan (which for clarity will extend until Mr. McCallister or his spouse are eligible for Medicare).

On November 2, 2012, the Board of Directors of Humana Inc. (the " Company") elected Bruce D. Broussard ("Mr. Broussard") to serve as the Company's President and Chief Executive Officer, effective January 1, 2013, under the terms of the employment agreement described below (the "Broussard Employment Agreement").

(d) Election of New Director

On November 2, 2012, the Company's Board of Directors determined that, effective January 1, 2013, the size of the Board of Directors will be expanded to eleven, and elected Bruce D. Broussard as a Director, also effective January 1, 2013.

Mr. Broussard was elected President of the Company in December 2011, and President and Chief Executive Officer effective January 1, 2013. Prior to joining the Company, Mr. Broussard was Chief Executive Officer of McKesson Specialty/US Oncology, Inc. (US Oncology was purchased by McKesson in December 2010). At US Oncology, Mr. Broussard served in a number of senior executive roles, including Chief Financial Officer, Chief Executive Officer and Chairman of the Board.

The Board of Directors has determined that (i) Mr. Broussard is not independent within the meaning of the New York Stock Exchange's Director independence standards; (ii) there was no arrangement or understanding between Mr. Broussard and any other persons pursuant to which Mr. Broussard was selected as a Director; and (iii) there are no material transactions involving Mr. Broussard and the Company; other than, in the case of (ii) and (iii) above, the Broussard Employment Agreement.

Initially, Mr. Broussard will not serve on any Committees of the Board.

As an employee director, Mr. Broussard will not receive any of the director fees and benefits as described in the Company's Proxy Statement filed with the Securities and Exchange Commission on March 5, 2012.

(e) Compensatory Arrangements for Certain Officers

On November 2, 2012, the Company entered into the Broussard Employment Agreement, pursuant to which Mr. Broussard will serve as President and Chief Executive Officer of the Company, effective January 1, 2013 (the "Effective Date").

The Broussard Employment Agreement has a term ending on the third anniversary of the Effective Date, which will be automatically renewed for successive periods of one year unless terminated by either party upon one hundred and eighty days written notice. Pursuant to the Broussard Employment Agreement, Mr. Broussard will be paid an annual base salary of not less than $1,085,000 and will be eligible to participate in all benefit plans and programs made available by the Company to other senior executives. Mr. Broussard will be eligible to receive a target annual incentive equal to 150% of his base salary and a maximum annual incentive equal to 150% of his target incentive, payable pursuant to the Company's Executive Management Incentive Compensation Plan.

Mr. Broussard will be entitled to a long-term incentive award in 2013 that will have a value of $5,000,000 (such value to be determined on the same basis as the Company's Organization & Compensation Committee of the Board of Directors values such awards generally) and shall be in a form and on terms consistent with the long-term incentive awards for other senior executives of the Company granted in 2013. Thereafter, Mr. Broussard will be eligible for annual grants of equity awards or other long-term incentive awards in amounts and on terms and conditions comparable to the Company's other senior executives, as determined by the Organization & Compensation Committee of the Board of Directors.

If Mr. Broussard's employment is terminated by the Company without Cause or by Mr. Broussard for Good Reason (as such terms are defined in the Employment Agreement), or if the Term expires by reason of the Company providing Mr. Broussard with written notice that the Term shall not be extended and Mr. Broussard terminates his employment with the Company for any reason within thirty (30) days after the expiration of the Term, in addition to accrued benefits, the Company would pay or provide to Mr. Broussard, (i) a pro-rated portion of the annual incentive he would have earned for the entire year based on the Company's actual performance (a "Pro-Rated Incentive Payment"), (ii) an amount equal to two times Mr. Broussard's then-current base salary, (iii) reimbursement of a portion of the COBRA premiums for Mr. Broussard and his dependents under the Company's medical and dental benefit plans for 18 months following termination and (iv) accelerated vesting of all equity awards (except for performance-vested equity-based awards other than stock options, in which case a pro-rated number of shares or stock units subject to the award (based on the number of days in the performance period that have elapsed through the Termination Date) shall remain outstanding until the end of the applicable performance period and the percentage of such shares or stock units that become vested shall be determined based on the actual level of performance attained). Mr. Broussard would have Good Reason to resign and trigger severance benefits upon the occurrence of one of the following: (i) a material and adverse change in Mr. Broussard's duties, authorities and responsibilities, (ii) a reduction in Mr. Broussard's base salary or target incentive opportunity, other than in connection with an across-the-board reduction applicable to all senior executives of the Company, (iii) following Mr. Broussard's relocation to Louisville, the relocation of Mr. Broussard's principal place of business resulting in an increase in Mr. Broussard's one-way commute of more than thirty (30) miles, or (iv) the failure of the Company to continue in effect a material incentive or other compensation plan unless the Company substitutes a plan providing substantially equivalent compensation opportunities.

In the event that Mr. Broussard's employment is terminated by the Company without Cause or by Mr. Broussard for Good Reason within twenty-four months following a Change in Control (as defined in the Employment Agreement), or by the Company without Cause under certain circumstances prior to a Change in Control, in addition to the accrued benefits, the Company would pay or provide to Mr. Broussard: (i) a Pro-Rated Incentive Payment, (ii) a lump-sum payment equal to 2 times the amount equal to the sum of (A) Mr. Broussard's then-current base salary plus (B) the maximum annual incentive that Mr. Broussard could have earned for the fiscal year in which termination occurs, (iii) continuation, at the Company's expense, of all life, medical, dental, accidental death and dismemberment and disability insurance for Mr. Broussard and his dependents for 24 months following the termination date and (iv) accelerated vesting of all equity awards (except for performance-vested equity-based awards other than stock options, in which case a pro-rated number of shares or stock units subject to the award (based on the number of days in the performance period that have elapsed through the Termination Date) shall remain outstanding until the end of the applicable performance period and the percentage of such shares or stock units that become vested shall be determined based on the actual level of performance attained).

In the event that Mr. Broussard's employment is terminated due to his death or disability, the Company would pay or provide (i) a Pro-Rated Incentive Payment and (ii) continuation of health and welfare benefits comparable to those described above.

If (i) Mr. Broussard becomes entitled to payments that would be "parachute payments" in connection with a change in control of the Company that would subject him to the excise tax under Section 4999 of the Internal Revenue Code and (ii) the aggregate amount of such payments that Mr. Broussard would receive, after all taxes, is less than he would receive if such payments were reduced below the threshold above which the excise tax would apply (the "Section 280G Threshold"), then (iii) such payments shall be reduced to $1.00 below the 280G Threshold so that Mr. Broussard does not become subject to the excise tax.

In addition, Mr. Broussard is subject to non-competition and non-solicitation covenants during his term of employment and for two years following his termination, as well as to a perpetual covenant not to use or disclose confidential information and trade secrets. Mr. Broussard is also entitled to be reimbursed for legal fees incurred in connection with the negotiation of the Employment Agreement in an amount not to exceed $25,000.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

Exhibit No.	Description
10.1	Employment Agreement, dated as of November 2, 2012, by and between Humana Inc. and Bruce D. Broussard.
10.2	Letter Agreement, dated as of October 31, 2012, by and between Humana Inc. and Michael B. McCallister
9 9	Earnings Release and Statistical Pages

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

HUMANA INC.

BY: /s/ Steven E. McCulley

Steven E. McCulley
Vice President and Controller
(Principal Accounting Officer)

Dated: November 5, 2012

INDEX TO EXHIBITS

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Exhibit 10.1

AMENDED AND RESTATED EMPLOYMENT AGREEMENT

A M E N D E D   A N D   R E S T A T E D   E M P L O Y M E N T   A G R E E M
corporation (the "Company"), and Bruce D. Broussard (the "Executive") (each of the Executive and the Company a "Party," and together, the "Parties").

WHEREAS, the Executive is currently employed as the President of the Company pursuant to an employment agreement between the Company and the Executive dated as of November 2, 2011 (the "Prior Agreement"); and

WHEREAS, the Company's Board of Directors (the "Board") has appointed the Executive to also be its Chief Executive Officer effective as of January 1, 2013, and the Company and the Executive desire to amend and restate the Prior Agreement effective as of such date as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other valid consideration, the sufficiency of which is acknowledged, the Parties hereto agree as follows:

Section 1. Employment.

1.1. Term. Subject to Section 3 hereof, the Company agrees to continue to employ the Executive, and the Executive agrees to continue to be employed by the Company, in each case pursuant to this Employment Agreement, for a period commencing on January 1, 2013 (such date of commencement, the "Effective Date"), and ending on the day preceding the third (3rd) anniversary of the Effective Date (the "Initial Term"); provided, however, that the period of the Executive's employment pursuant to this Employment Agreement shall be automatically extended for successive one (1) year periods thereafter (each, a "Renewal Term"), in each case unless either Party hereto provides the other Party hereto with written notice that such period shall not be so extended at least one hundred eighty (180) days in advance of the expiration of the Initial Term or the then-current Renewal Term, as applicable (the Initial Term and any Renewal Term, collectively, the "Term"). Each additional one (1) year Renewal Term shall be added to the end of the next scheduled expiration date of the Initial Term or Renewal Term, as applicable, as of the first day after the last date on which notice may be given pursuant to the preceding sentence. The Executive's period of employment pursuant to this Employment Agreement shall hereinafter be referred to as the "Employment Period."

1.2. Duties. During the Employment Period, the Executive shall serve as the President and Chief Executive Officer of the Company. The Executive shall report directly to the Board. In his position of President and Chief Executive Officer of the Company, the Executive shall perform such duties, functions and responsibilities during the Employment Period, commensurate with the Executive's positions, as reasonably and lawfully directed by the Board.

1.3. Exclusivity. During the Employment Period, the Executive shall devote substantially all of his business time and attention to the business and affairs of the Company, shall faithfully serve the Company, and shall conform to and comply with the lawful and reasonable directions and instructions given to him by the Board, consistent with Section 1.2 hereof. During the Employment Period, the Executive shall use his best efforts to promote and serve the interests of the Company and shall not engage in any other business activity, whether or not such activity shall be engaged in for pecuniary profit; provided, that nothing herein contained shall preclude service by the Executive on the boards of directors or trustees of other entities not engaged in any business competitive with the business of the Company or any of its Affiliates, provided that the Executive shall have received approval for any such board service in advance from the Board.

Section 2. Compensation.

2.1. Salary. As compensation for the performance of the Executive's services hereunder, during the Employment Period, the Company shall pay to the Executive a salary at an annual rate of $1,085,000 (the "Base Salary") payable in accordance with the Company's standard payroll policies. The Base Salary will be reviewed annually and may be adjusted upward (but not downward) by the Organization & Compensation Committee of the Board (the "Committee") in its discretion.

2.2. Annual Incentive. For each calendar year ending during the Employment Period, the Executive shall be eligible to receive an annual cash incentive payment (the "Annual Incentive") to be based upon Company performance and other criteria for each such calendar year as determined by the Committee and generally applicable to the Company's other senior executives. The Executive's target Annual Incentive opportunity for each calendar year that ends during the Employment Period shall equal 150% of the Base Salary (the "Target Annual Incentive") paid during the applicable year. The maximum Annual Incentive which the Executive may receive shall be 150% of the Target Annual Incentive. The actual Annual Incentive paid in respect of any calendar year depends on the extent to which performance goals, set annually by the Committee, are achieved and shall be payable in accordance with the terms of the Humana Inc. Executive Management Incentive Compensation Plan (the "Incentive Plan"). The Annual Incentive shall be paid in cash.

2.3. Long-Term Compensation. The Executive will be entitled to a long-term incentive award in 2013 that will have a value of $5,000,000 (such value to be determined on the same basis as the Committee values such awards generally) and shall be in a form and on terms consistent with the long-term incentive awards for other senior executives of the Company granted in 2013. Thereafter, the Executive shall be eligible for annual grants of equity awards or other long-term incentive awards in amounts and on terms and conditions comparable to the Company's other senior executives, as determined by the Committee.

2.4. Other Compensation and Employee Benefits. During the Employment Period, the Executive shall be eligible to participate in such other compensation, employee benefit and executive perquisite plans, programs, policies and arrangements of the Company as in effect from time to time on the same basis as other senior executives of the Company.

2.5. Paid Time Off. During each calendar year of the Employment Period, the Executive shall be entitled to twenty-eight (28) days of paid time off to be accrued, taken and carried over to subsequent years in accordance with the terms and conditions of the Company's policy for its senior executives as in effect from time to time.

2.6. Business Expenses. The Company shall pay or reimburse the Executive, upon presentation of documentation, for all commercially reasonable business out-of-pocket expenses that the Executive incurs during the Employment Period in performing his duties under this Employment Agreement and in accordance with the expense reimbursement policy of the Company.

2.7. Relocation. The Executive will relocate his principal residence to the Louisville, Kentucky area no later than August 31, 2013. The Company will provide the Executive with the standard relocation benefits under its relocation policy as in effect from time to time for the Company's senior executives in connection with the Executive's relocation from his current residence in the Houston, Texas area to the Louisville, Kentucky area. Prior to his relocation, (i) the Executive shall be permitted to use Company aircraft for purposes of commuting from his current residence to the Company's principal offices in Louisville, Kentucky upon terms and conditions to be agreed between the Company and the Executive from time to time and (ii) the Company shall pay the Executive a housing allowance in the amount of $10,000 per month. There shall be no gross-up for, and the Executive shall be solely responsible for, any taxes he may incur in connection with the payments made or the benefits provided to him pursuant to this Section 2.7.

2.8. Attorney's Fees. The Company agrees to pay or reimburse the Executive for all reasonable attorney's fees and related expenses incurred by the Executive in connection with the negotiation and execution of this Employment Agreement and related agreements, up to a maximum amount of $25,000.

Section 3. Employment Termination.

3.1. Termination of Employment. The Company may terminate the Executive's employment hereunder for any reason during the Term, and the Executive may voluntarily terminate his employment hereunder for any reason during the Term, in each case (other than a termination by the Company for Cause) at any time which in the case of a termination by the Executive shall be upon not less than thirty (30) days' written notice to the Company (the date on which the Executive's employment terminates for any reason is herein referred to as the "Termination Date"). Upon the termination of the Executive's employment with the Company for any reason, the Executive shall be entitled to (a) payment of any Base Salary earned but unpaid through the Termination Date, (b) any Annual Incentive that the Executive may be entitled to pursuant to the terms of the Incentive Plan for any fiscal year completed prior to the Termination Date, (c) accrued and unused paid time off (consistent with Section 2.5 hereof) paid out at the then effective per-business-day Base Salary rate and (d) any unreimbursed expenses in accordance with Section 2.6 hereof (collectively, the "Accrued Amounts").

3.2. Certain Terminations.

(a) Termination by the Company other than for Cause or Disability; Termination by the Executive for Good Reason; Non-Renewal; Change in Control-Related Termination. If (i) during the Term, the Executive's employment is terminated (A) by the Company other than for Cause or Disability or (B) by the Executive for Good Reason, or (ii) the Term expires by reason of the Company providing the Executive with written notice pursuant to Section 1.1 that the Term shall not be extended and the Executive terminates his employment for any reason within thirty (30) days after the expiration of the Term, in addition to the Accrued Amounts, the Company shall pay or provide to the Executive the amounts and benefits described below:

(1) (A) if such termination is not a Change in Control-Related Termination, severance in an amount equal to two (2) times the Executive's Base Salary (at the rate in effect immediately prior to the Termination Date), payable in a lump sum or (B) if such termination is a Change in Control-Related Termination, an amount equal to two (2) times the sum of (x) the Base Salary (at the rate in effect immediately prior to the Termination Date) plus (y) the maximum Annual Incentive that could have been earned by the Executive calculated as if all relevant goals applicable to such Annual Incentive had been met during the then fiscal year of the Company pursuant to the terms of the incentive compensation plan in which the Executive participates, payable in a lump sum (the amount described in (A) or (B), as applicable, the "Severance");

(2) (A) if such termination is not a Change in Control-Related Termination, the Executive and his qualifying spouse (the "Executive's Spouse") and other qualifying dependents shall be eligible for continuation of health and dental coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") and the terms of the applicable Company-sponsored health and dental plans (the "Group Health Plan") and the Company will reimburse the Executive or the Executive's Spouse, if the Executive dies, for the amount of the COBRA premiums the Executive or the Executive's Spouse (in the case of the death of the Executive) pays in excess of the normal employee contribution for comparable Group Health Plan coverage provided by the Company and any reimbursement by the Company to the Executive or the Executive's Spouse required under this Section 3.2(a)(2)(A) shall be made on the last day of the month in which the Executive or the Executive's Spouse pays the amount required for such COBRA Coverage and (B) if such termination is a Change in Control-Related Termination, the Executive, the Executive's Spouse and other qualifying dependents shall be eligible for continuation of Group Health Plan coverage pursuant to COBRA and the terms of the Group Health Plan and shall be eligible for continued coverage under all life insurance, accidental death and dismemberment insurance and disability insurance under plans and programs in which the Executive and/or the Executive's dependents and beneficiaries participated immediately prior to the Termination Date, provided that continued participation is permitted under the general terms and provisions of such plans and programs, until, with respect to any plan or program including COBRA continuation coverage, the earliest of (x) twenty-four (24) months following the Termination Date, or (y) the effective date of the Executive's coverage under equivalent benefits from a new employer provided that no such equivalent benefits shall be considered effective unless and until all pre-existing condition limitations and waiting period restrictions have been waived or have otherwise lapsed), and the Company will reimburse the Executive or the Executive's Spouse, if the Executive dies, for the amount of all the premiums and payments the Executive or the Executive's Spouse (in the case of the death of the Executive) pays for such continued coverage and any reimbursement by the Company to the Executive or the Executive's Spouse required under this Section 3.2(a)(2)(B) shall be made on the last day of the month in which the Executive or the Executive's Spouse pays the amount required for such continued coverage (the "Benefit Continuation").

(3) a pro-rata incentive for the year in which the Termination Date occurs, equal to the Annual Incentive the Executive would have been entitled to receive had his employment not been terminated, based on the actual performance of the Company for the full year, multiplied by a fraction, the numerator of which is the number of days the Executive is employed by the Company during the applicable year prior to and including the Termination Date and the denominator of which is 365 (the "Pro-Rata Incentive"); provided, that, for the avoidance of doubt, the Pro-Rata Incentive shall satisfy any obligation the Company may have to pay a pro-rata incentive payment under the Incentive Plan; and

(4) the following provisions shall apply to the Executive's stock options and other equity-based compensation awards outstanding on the Termination Date, notwithstanding any contrary provision in the applicable award agreement or plan under which the award is granted:

(A) all time-vested stock options shall become fully vested and exercisable and all time-vested equity-based awards other than stock options shall become fully vested and all restrictions thereon shall lapse, in each case as of the Termination Date;

(B) all performance-vested stock options shall vest and become exercisable as of the Termination Date to the extent the options would have become exercisable had the target performance level been attained;

(C) all vested stock options (including those which become vested pursuant to this Section 3.2(a) shall remain outstanding and exercisable until the second anniversary of the Termination Date or, if earlier, until the expiration of the term of the stock option; and

(D) with respect to performance-vested equity-based awards other than stock options, a pro-rated number of shares or stock units subject to the award (based on the number of days in the performance period that have elapsed through the Termination Date) shall remain outstanding until the end of the applicable performance period and the percentage of such shares or stock units that become vested shall be determined based on the actual level of performance attained.

(b) The Company's obligations to pay the Severance and Pro-Rata Incentive and to provide the Benefit Continuation shall be conditioned upon: (i) the Executive's continued compliance with his obligations under Section 4 of this Employment Agreement and (ii) the Executive's execution, delivery and non-revocation of a valid and enforceable general release of claims (the "Release") substantially in the form attached hereto as Exhibit A, within sixty (60) days after the Executive's Termination Date. Subject to the previous sentence and to Section 7.3, (i) the Pro-Rata Incentive shall be paid at the time when annual incentives are paid generally to the Company's senior executives and (ii) the Severance will be paid to the Executive on the first payroll date following the date that coincides with or immediately follows the date that is sixty (60) days following the date of the Executive's Separation From Service. For purposes of this Employment Agreement, the term "Separation From Service" means a "separation from service" within the meaning of the default rules under section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and all regulations, guidance, and other interpretative authority issued thereunder (collectively, "Section 409A"). In the event that the Executive is a "specified employee" within the meaning of Section 409A the Company shall pay the Executive the Severance as provided in Section 7.3(d).

(c) If participation in any of the Company plans or programs necessary to provide the Benefits Continuation is not permitted under the terms of any plan or program, the Company shall arrange at its own expense to provide the Executive with benefits substantially similar to those which the Executive would have been entitled to receive under such plans and programs. At the end of the period of coverage, the Executive shall have the right to have assigned to him, at no cost and with no apportionment of unpaid premiums, any assignable life insurance policy relating specifically to him.

3.3. Termination by Reason of Death or Disability.

(a) If the Executive's employment is terminated by reason of the Executive's death or Disability, in addition to the Accrued Amounts, the Company shall pay the Executive (or his heirs upon a termination by death) the Pro-Rata Incentive, payable at the time when annual bonuses are paid generally in respect of the year in which the Termination Date occurs. For the avoidance of doubt, payment of a Pro-Rata Incentive pursuant to this Section 3.3 shall be in satisfaction of any obligation the Company may have to pay a pro-rata incentive under the Incentive Plan. In addition, the following provisions shall apply to the Executive's stock options and other equity-based compensation awards outstanding on the Termination Date, notwithstanding any contrary provision in the applicable award agreement or plan under which the award is granted:

(1) all time-vested stock options shall become fully vested and exercisable and all time-vested equity-based awards other than stock options shall become fully vested and all restrictions thereon shall lapse, in each case as of the Termination Date;

(2) all performance-vested stock options shall vest and become exercisable as of the Termination Date to the extent the options would have become exercisable had the target performance level been attained;

(3) all vested stock options (including those which become vested pursuant to this Section 3.3(a) shall remain outstanding and exercisable until the second anniversary of the Termination Date or, if earlier, until the expiration of the term of the stock option; and

(4) with respect to performance-vested equity-based awards other than stock options, a pro-rated number of shares or stock units subject to the award (based on the number of days in the performance period that have elapsed through the Termination Date) that would have vested at the end of the performance period had the target performance level been attained shall vest as of the Termination Date.

(b) If the Executive's employment is terminated by reason of the Executive's death or Disability before a Change in Control the Executive (in the case the Executive's employment is terminated by reason of his Disability), the Executive's Spouse and other qualifying dependents shall be eligible for continuation of Group Health Plan coverage pursuant to COBRA and the terms of the Group Health Plan and the Company will reimburse the Executive (in the case the Executive's employment is terminated by reason of his Disability) or the Executive's Spouse (in the case the Executive's employment is terminated by reason of his death) for the amount of the COBRA premiums the Executive or the Executive's Spouse pays in excess of the normal employee contribution for comparable Group Health Plan coverage for up to the first 18 months of such coverage provided by the Company and any reimbursement by the Company to the Executive or the Executive's Spouse required under this Section 3.3(b) shall be made on the last day of the month in which the Executive or the Executive's Spouse pays the amount required for such COBRA Coverage.

(c) If the Executive's employment is terminated by reason of the Executive's death or Disability on or after a Change in Control the Executive (in the case the Executive's employment is terminated by reason of his Disability), the Executive's Spouse and other qualifying dependents shall be eligible for continuation of Group Health Plan coverage pursuant to COBRA and the terms of the Group Health Plan and shall be eligible for continued coverage under all life insurance, accidental death and dismemberment insurance and disability insurance under plans and programs in which the Executive and/or the Executive's dependents and beneficiaries participated immediately prior to the date of the Executive's death or Disability, provided that continued participation is permitted under the general terms and provisions of such plans and programs, until, with respect to any plan or program other than COBRA continuation coverage twenty-four (24) months following the Termination Date and in the case of COBRA continuation coverage for no less than twenty-four (24) months following the Termination Date and the Company will reimburse the Executive or the Executive's Spouse, if the Executive dies, for the amount of all the premiums and payments the Executive or the Executive's Spouse (in the case of the death of the Executive) pays for such continued coverage, provided, that in the case of COBRA continuation coverage such reimbursement under this Section 3.3(c) shall be limited to the first twenty-four (24) months of premiums paid by the Executive or the Executive's Spouse, as the case may be, and any reimbursement by the Company to the Executive or the Executive's Spouse required under this Section 3.3(c) shall be made on the last day of the month in which the Executive or the Executive's Spouse pays the amount required for such continued coverage.

(d) If participation in any of the Company plans or programs necessary to provide the benefits continuation described in Section 3.3(b) or Section 3.3(c) is not permitted under the terms of any plan or program, the Company shall arrange at its own expense to provide the Executive with benefits substantially similar to those which the Executive would have been entitled to receive under such plans and programs. At the end of the period of coverage, the Executive shall have the right to have assigned to him, at no cost and with no apportionment of unpaid premiums, any assignable life insurance policy relating specifically to him.

3.4. Exclusive Remedy. The foregoing payments upon termination of the Executive's employment shall constitute the exclusive severance payments and benefits due the Executive upon a termination of his employment.

3.5. Resignation from All Positions. Upon the termination of the Executive's employment with the Company for any reason, unless otherwise requested by the Company, the Executive shall resign, as of the date of such termination, from all positions he then holds as an officer, director, employee and member of the board of directors (and any committee thereof) of the Company and its Affiliates. The Executive agrees to execute such writings as are required to effectuate the foregoing.

3.6. Cooperation. Following the termination of the Executive's employment with the Company for any reason, the Executive shall reasonably cooperate with the Company upon reasonable request of the Board and agrees to be reasonably available to the Company (taking into account any other full-time employment of the Executive) with respect to matters arising out of the Executive's services to the Company and its subsidiaries. The Executive shall be reimbursed for any expenses incurred by him at the request of the Company pursuant to this Section 3.6.

Section 4. Certain Covenants.

4.1. Confidential Information and Trade Secrets.

(a) The Executive recognizes that the Executive's position with the Company requires considerable responsibility and trust, and, in reliance on the Executive's loyalty, the Company may entrust the Executive with highly sensitive confidential, restricted and proprietary information involving Trade Secrets and Confidential Information.

(b) For purposes of this Employment Agreement, a "Trade Secret" is any scientific or technical information, design, process, procedure, formula or improvement that is valuable and not generally known to competitors of the Company. "Confidential Information" is any data or information, other than Trade Secrets, that is important, competitively sensitive, and not generally known by the public, including, but not limited to, the Company's business plans, business prospects, training manuals, product development plans, bidding and pricing procedures, market strategies, internal performance statistics, financial data, confidential personnel information concerning employees of the Company, supplier data, operational or administrative plans, policy manuals, and terms and conditions of contracts and agreements. The terms "Trade Secrets" and "Confidential Information" shall not apply to information which is (i) already in the Executive's possession (unless such information was used in connection with formulating the Company's business plans, obtained by the Executive from the Company or was obtained by the Executive in the course of the Executive's employment by the Company), or (ii) required to be disclosed by any applicable law.

(c) Except as required to perform the Executive's duties hereunder or as may be required by law or legal process or an order of a court of competent jurisdiction, the Executive will not use or disclose any Trade Secrets or Confidential Information of the Company during employment, at any time after termination of employment and prior to such time as they cease to be Trade Secrets or Confidential Information through no act of the Executive in violation of this Section 4.1.

(d) Upon the request of the Company and, in any event, upon the termination of employment hereunder, the Executive will surrender to the Company all memoranda, notes, records, plans, manuals or other documents pertaining to the Company's business or the Executive's employment (including all copies thereof). The Executive will also leave with the Company all materials involving Trade Secrets or Confidential Information of the Company. All such information and materials, whether or not made or developed by the Executive, shall be the sole and exclusive property of the Company, and the Executive hereby assigns to the Company all of the Executive's right, title and interest in and to any and all of such information and materials.

4.2. Agreement Not to Compete and Agreement Not to Solicit.

(a) The Executive hereby covenants and agrees that for a period commencing on the date hereof and ending twenty-four (24) months after the Executive's Termination Date (the "Restricted Period"), the Executive, directly or indirectly, personally, or as an employee, officer, director, partner, member, owner, stockholder, investor or principal of, or consultant or independent contractor with, another entity, shall not participate in any business which competes with the Company including, without limitation, health maintenance organizations, insurance companies or prepaid health plan businesses in which the Company has been actively engaged during any part of the two (2) year period immediately preceding the Executive's employment Termination Date ("Company Business"), in any Geographic Area (as defined below) in which the Company and/or any of its Affiliates is then doing business. For purposes of this Employment Agreement, "Geographic Area" means any state, commonwealth or territory of the United States or any equivalent entity in any foreign country.

(b) The Executive hereby covenants and agrees that during the Restricted Period, the Executive, directly or indirectly, personally, or as an employee, officer, director, partner, member, owner, stockholder, investor or principal of, or consultant or independent contractor with, another entity, shall not:

(1) Interfere with the relationship of the Company and any of its employees, agents, representatives, consultants or advisors.

(2) Divert, or attempt to cause the diversion from the Company, any Company Business, nor interfere with relationships of the Company with its policyholders, agents, brokers, dealers, distributors, marketers, sources of supply or customers.

(3) Solicit, recruit or otherwise induce or influence any employee of the Company to accept employment in any business which competes with the Company Business, in any Geographic Area in which the Company and/or any of its Affiliates is then doing business.

4.3. Extension of Restriction Period. The Restricted Period shall be extended for any period during which the Executive is in breach of any provision of Section 4.2 hereof.

4.4. Proprietary Rights. The Executive shall disclose promptly to the Company any and all inventions, discoveries, and improvements (whether or not patentable or registrable under copyright or similar statutes), and all patentable or copyrightable works, initiated, conceived, discovered, reduced to practice, or made by him, either alone or in conjunction with others, during the Executive's employment with the Company and related to the business or activities of the Company and its Affiliates (the "Developments"). Except to the extent any rights in any Developments constitute a work made for hire under the U.S. Copyright Act, 17 U.S.C. § 101 et seq. that are owned ab initio by the Company and/or its applicable Affiliate, the Executive assigns all of his right, title and interest in all Developments (including all intellectual property rights therein) to the Company or its nominee without further compensation, including all rights or benefits therefor, including without limitation the right to sue and recover for past and future infringement. The Executive acknowledges that any rights in any Developments constituting a work made for hire under the U.S. Copyright Act, 17 U.S.C § 101 et seq. are owned upon creation by the Company and/or its applicable Affiliate as the Executive's employer. Whenever requested to do so by the Company, the Executive, at the Company's expense, shall execute any and all applications, assignments or other instruments which the Company shall deem necessary to apply for and obtain trademarks, patents or copyrights of the United States or any foreign country or otherwise protect the interests of the Company and its Affiliates therein. These obligations shall continue beyond the end of the Executive's employment with the Company with respect to inventions, discoveries, improvements or copyrightable works initiated, conceived or made by the Executive while employed by the Company, and shall be binding upon the Executive's employers, assigns, executors, administrators and other legal representatives. In connection with his execution of this Employment Agreement, the Executive has informed the Company in writing of any interest in any inventions or intellectual property rights that he holds as of the date hereof. If the Company is unable for any reason, after reasonable effort, to obtain the Executive's signature on any document needed in connection with the actions described in this Section 4.4, the Executive hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as the Executive's agent and attorney in fact to act for and on the Executive's behalf to execute, verify and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.4 with the same legal force and effect as if executed by the Executive.

4.5. Confidentiality of Agreement. Other than with respect to information required to be disclosed by applicable law, the Executive agrees not to disclose the terms of this Employment Agreement to any Person; provided the Executive may disclose this Employment Agreement and/or any of its terms to the Executive's immediate family, financial advisors and attorneys, so long as the Executive instructs every such Person to whom the Executive makes such disclosure not to disclose the terms of this Employment Agreement further. Anytime after this Employment Agreement is filed with the Securities and Exchange Commission or any other government agency by the Company and becomes a public record, this provision shall no longer apply.

4.6. Specific Enforcement. The Executive specifically acknowledges and agrees that the restrictions set forth in this Section 4 are reasonable and necessary to protect the legitimate interest of the Company and that the Company would not have entered into this Employment Agreement in the absence of such restrictions. The Executive further acknowledges and agrees that any violation of the provisions of Section 4 hereof will result in irreparable injury to the Company, that the remedy at law for any violation or threatened violation of this Section 4 will be inadequate and that in the event of any such breach, the Company, in addition to any other remedies or damages available to it at law or in equity, shall be entitled to temporary injunctive relief before trial from any court of competent jurisdiction as a matter of course, and to permanent injunctive relief without the necessity of proving actual damages.

Section 5. Representation. The Executive represents and warrants that (i) he is not subject to any contract, arrangement, policy or understanding, or to any statute, governmental rule or regulation, that in any way limits his ability to enter into and fully perform his obligations under this Employment Agreement and (ii) he is not otherwise unable to enter into and fully perform his obligations under this Employment Agreement.

Section 6. Non-Disparagement. From and after the Effective Date and following termination of the Executive's employment with the Company, (i) the Executive agrees not to make any statement that is intended to become public, or that should reasonably be expected to become public, and that criticizes, ridicules, disparages or is otherwise derogatory of the Company or any of its Affiliates, employees, officers, directors or stockholders and (ii) the Company agrees not to issue any public statement that criticizes, ridicules, disparages or is otherwise derogatory of the Executive or any of his Affiliates or family and shall advise its directors and officers not to make any such public statement on the Company's behalf.

Section 7. Taxes.

7.1. Withholding. All amounts paid to the Executive under this Employment Agreement shall be subject to withholding and other income and employment taxes imposed by applicable law. The Executive shall be solely responsible for the payment of all taxes imposed on him relating to the payment or provision of any amounts or benefits hereunder.

7.2. Section 280G. (a) Notwithstanding anything contained in this Employment Agreement to the contrary, (i) to the extent that any payment or distribution of any type to or for the Executive by the Company, any Affiliate of the Company, any Person who acquires ownership or effective control of the Company or ownership of a substantial portion of the Company's assets (within the meaning of Section 280G of the Code and the regulations thereunder), or any Affiliate of such Person, whether paid or payable or distributed or distributable pursuant to the terms of this Employment Agreement or otherwise (the "Payments") constitute "parachute payments" (within the meaning of Section 280G of the Code), and if (ii) such aggregate would, if reduced by all federal, state and local taxes applicable thereto, including the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), be less than the amount the Executive would receive, after all taxes, if the Executive received aggregate Payments equal (as valued under Section 280G of the Code) to only three times the Executive's "base amount" (within the meaning of Section 280G of the Code), less $1.00, then (iii) such Payments shall be reduced (but not below zero) if and to the extent necessary so that no Payments to be made or benefit to be provided to the Executive shall be subject to the Excise Tax. All determinations required to be made under this Section 7.2 shall be made by a nationally recognized accounting firm that is (i) not serving as accountant or auditor for the individual, entity or group effecting the Change in Control and (ii) agreed upon by the Company and the Executive (the "Accounting Firm"), which shall provide detailed supporting calculations (which detailed supporting calculations shall include specific information about each Payment (including the amount of each Payment) and such other information as the Executive shall reasonably request or need to make the determination required of the Executive under this Section 7.2 both to the Company and the Executive within thirty (30) business days after the Termination Date (or such earlier time as is requested by the Company) and an opinion to the Executive that he has substantial authority not to report any Excise Tax imposed under section 4999 of the Code on his federal income tax return with respect to the Payments (as eliminated or reduced, if applicable, under such initial determination). Any such determination by the Accounting Firm shall be binding upon the Company and the Executive. If the Payments are so reduced, the Company shall reduce or eliminate the Payments (A) by first reducing or eliminating the portion of the Payments which are not payable in cash (other than that portion of the Payments subject to clause (C) hereof), (B) then by reducing or eliminating cash payments (other than that portion of the Payments subject to clause (C) hereof) and (C) then by reducing or eliminating the portion of the Payments (whether payable in cash or not payable in cash) to which Treasury Regulation § 1.280G-1 Q/A 24(c) (or successor thereto) applies, in each case in reverse order beginning with payments or benefits which are to be paid the farthest in time.

(b) It is possible that after the determinations and selections made pursuant to this Section 7.2 the Executive will receive Payments that are, in the aggregate, either more or less than the amount provided under this Section 7.2 (hereafter referred to as an "Excess Payment" or "Underpayment," respectively). If it is established, pursuant to a final determination of a court or an Internal Revenue Service proceeding that has been finally and conclusively resolved, that an Excess Payment has been made, then the Executive shall promptly pay an amount equal to the Excess Payment to the Company, together with interest on such amount at the applicable federal rate (as defined in and under Section 1274(d) of the Code) from the date of the Executive's receipt of such Excess Payment until the date of such payment. In the event that it is determined (i) by a court or (ii) by the Accounting Firm upon request by a Party, that an Underpayment has occurred, the Company shall promptly pay an amount equal to the Underpayment to the Executive, together with interest on such amount at the applicable federal rate from the date such amount would have been paid to the Executive had the provisions of this Section 7.2 not been applied until the date of such payment.

7.3 Section 409A. (a) The parties intend that any compensation, benefits and other amounts payable or provided to the Executive under this Employment Agreement are intended to be paid or provided in compliance with Section 409A such that there will be no adverse tax consequences, interest, or penalties for the Executive under Section 409A as a result of the payments and benefits so paid or provided to him. The parties agree to modify this Employment Agreement, or the timing (but not the amount) of the payment hereunder of severance or other compensation, or both, and any reimbursements to the extent necessary to comply with and to the extent permissible under Section 409A.

(b) The terms "terminate," "terminated" and "termination" mean a termination of the Executive's employment that constitutes a Separation From Service and the date of the Executive's Separation From Service shall be treated as the Executive's Termination Date for purpose of determining the time of payment of any amount that becomes payable to Executive pursuant to Section 3 hereof upon the termination of his employment and that is treated as a "deferral of compensation" within the meaning of Section 409A.

(c) In the case of any amounts that are payable to the Executive under this Employment Agreement in the form of installment payments, the Executive's right to receive such payments shall be treated as a right to receive a series of separate payments for purposes of Section 409A.

(d) If the Executive is a "specified employee" within the meaning of Section 409A at the time of his Separation From Service within the meaning of Section 409A, then any payment otherwise required to be made to him under this Employment Agreement on account of his Separation From Service, to the extent such payment (after taking in to account all exclusions applicable to such payment under Section 409A) is properly treated as deferred compensation subject to Section 409A, shall not be made until the first business day after (i) the expiration of six months from the date of Executive's Separation From Service, or (ii) if earlier, the date of Executive's death (the "Delayed Payment Date"). On the Delayed Payment Date, there shall be paid to the Executive or, if the Executive has died, to the Executive's estate, in a single cash lump sum, an amount equal to the aggregate amount of the payments delayed pursuant to the preceding sentence.

(e) To the extent that the reimbursement of any expenses or the provision of any in-kind benefits pursuant to this Employment Agreement constitutes a "deferral of compensation" within the meaning of Section 409A, (i) the amount of such expenses eligible for reimbursement, or in-kind benefits to be provided hereunder during any one calendar year shall not affect the amount of such expenses eligible for reimbursement or in-kind benefits to be provided hereunder in any other calendar year (except for any life-time or other aggregate limitation applicable to medical expenses); (ii) all such expenses eligible for reimbursement hereunder shall be paid to the Executive as soon as administratively practicable after any documentation required for reimbursement for such expenses has been submitted, but in any event by no later than December 31 of the calendar year following the calendar year in which such expenses were incurred; and (iii) the Executive's right to receive any such reimbursements or in-kind benefits shall not be subject to liquidation or exchange for any other benefit.

Section 8. Miscellaneous.

8.1. Certain Definitions. For purposes of this Employment Agreement, the following terms have the following meanings:

(a) "Affiliate" shall mean, with respect to any Person, any other Person which, directly or indirectly, is in control of, is controlled by, or is under common control with, such Person.

(b) "Cause" shall mean one of the following has occurred: (A) the Executive's indictment for, or conviction or entry of a plea of guilty or nolo contendere to (1) any felony or (2) any crime (whether or not a felony) involving moral turpitude, fraud, theft, breach of trust or other similar acts, whether of the United States or any state thereof or any similar foreign law to which the Executive may be subject that has a substantial and adverse effect on the Executive's qualifications or ability to perform his duties, (B) the Executive's engaging in conduct constituting willful misconduct, gross negligence or fraud that results in a significant risk of economic harm to the Company or any of its Affiliates, (C) the Executive's continued failure to substantially perform his duties if such failure is not remedied within fifteen (15) days after the Executive receives written notice thereof from the Company, (D) the Executive's material violation of the provisions of Section 4 of this Employment Agreement or (E) the Executive's failure to relocate to the Louisville, Kentucky area in accordance with Section 2.7; provided, however, that if the Executive is terminated for Cause by reason of his indictment pursuant to clause (A) above and the indictment is subsequently dismissed or withdrawn or the Executive is found to be not guilty in a court of law in connection with such indictment, then the Executive's termination shall be treated for purposes of this Employment Agreement as a termination by the Company other than for Cause or Disability, and the Executive shall be entitled to receive (without duplication of benefits) the payments and benefits set forth in Section 3.2(a) as applicable following such dismissal, withdrawal or finding, payable in the manner and subject to the conditions set forth in such Section 3.2(a). For purposes of this Section 8.1(b), no act, or failure to act, on the Executive's part shall be deemed "willful" unless done, or omitted to be done, by the Executive not in good faith.

(c) "Change in Control" shall have the meaning set forth on Exhibit B.

(d) "Change in Control-Related Termination" shall mean, during the Employment Period, (i) the Executive's termination by the Company other than for Cause, or termination by the Executive for Good Reason, in each case within twenty-four (24) months following a Change in Control, (ii) the Executive's termination by the Company other than for Cause at any time prior to a Change in Control if such termination occurs after the Company entered into and has not terminated a definitive agreement, the consummation of which would constitute a Change in Control or (iii) termination by the Executive for any reason after the Company enters into and has not terminated a definitive agreement, the consummation of which would constitute a Change in Control, and the Company provides the Executive with written notice pursuant to Section 1.1 that the Term shall not be extended.

(e) "Disability" shall mean the Executive is entitled to and has begun to receive long-term disability benefits under the long-term disability plan of the Company in which the Executive participates, or, if there is no such plan, the Executive's inability, due to physical or mental ill health, to perform the essential functions of the Executive's job, with or without a reasonable accommodation, for 180 days out of any 270 day consecutive day period.

(f) "Good Reason" shall mean one of the following has occurred without the Executive's written consent: (i) a material and adverse change in the Executive's duties, authority or responsibilities, (ii) the Executive being required to report to anyone other than the Board, (iii) a reduction in the Executive's base salary or target incentive opportunity, other than in connection with an across-the-board reduction applicable to all senior executives of the Company, (iv) following the Executive's relocation to Louisville, Kentucky, the relocation of the Executive's principal place of business resulting in an increase in the Executive's one-way commute of more than thirty (30) miles, or (v) the failure of the Company to continue in effect a material incentive or other compensation plan unless the Company substitutes a plan providing substantially equivalent compensation opportunities. In the event the Executive believes Good Reason to exist, the Executive must provide the Company with written notice no later than ninety (90) days after the first occurrence of the event or condition the Executive claims constitutes Good Reason specifying the basis for the Executive's belief that Good Reason exists and must provide the Company with thirty (30) days to cure such event or condition. Failing such cure by the Company, a termination of employment by the Executive for Good Reason shall be effective on the day following the expiration of such cure period; provided, however, that if the Term ends after the Executive provides the notice described above and prior to the Company curing any such event or condition, a termination by the Executive for Good Reason shall be effective on the last day of the Term; provided, further, however, that if such notice is provided less than ten (10) business days before the end of the Term, the Term shall be extended until the end of the tenth (10^{th}) business day following the delivery of such notice to the Company.

(g) "Person" shall mean any individual, corporation, partnership, limited liability company, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.

8.2. Indemnification. The Company shall indemnify and hold harmless the Executive pursuant to and in accordance with the terms of the Indemnification Agreement entered into by the Parties. The Executive shall be covered under any directors' and officers' insurance that the Company maintains for its directors and other officers in the same manner and on the same basis as the Company's directors and other officers.

8.3. Amendments and Waivers. Subject to applicable law, this Employment Agreement and any of the provisions hereof may be amended, modified, or supplemented, in whole or in part, only in a writing signed by all Parties hereto. The waiver by a Party hereto of a breach by another party hereto of any provision of this Employment Agreement shall not operate or be construed as a further or continuing waiver of such breach by such other Party or as a waiver of any other or subsequent breach by such other Party, except as otherwise explicitly provided for in the writing evidencing such waiver. Except as otherwise expressly provided herein, no failure on the part of any Party to exercise, and no delay in exercising, any right, power or remedy hereunder, or otherwise available in respect hereof at law or in equity, shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or remedy by such Party preclude any other or further exercise thereof or the exercise of any other right, power or remedy.

8.4. Assignment; No Third-Party Beneficiaries. This Employment Agreement, and the Executive's rights and obligations hereunder, may not be assigned by the Executive, and any purported assignment by the Executive in violation hereof shall be null and void. Nothing in this Employment Agreement shall confer upon any Person not a party to this Employment Agreement, or the legal representatives of such Person, any rights or remedies of any nature or kind whatsoever under or by reason of this Employment Agreement, except the personal representative of the deceased Executive may enforce the provisions hereof applicable in the event of the death of the Executive. The Company is authorized to assign this Employment Agreement to a successor to substantially all of its assets.

8.5. Notices. Unless otherwise provided herein, all notices, requests, demands, claims and other communications to be given or delivered under or by reason of the provisions of this Employment Agreement shall be in writing and shall be deemed to have been duly received (a) upon receipt by hand delivery, (b) upon receipt after being mailed by certified or registered mail, postage prepaid, (c) upon receipt after being sent by email, (d) the next business day after being sent via a nationally recognized overnight courier, or (e) upon confirmation of delivery when sent via facsimile to the recipient. Such notices, demands and other communications shall be sent to the address or facsimile number indicated below:

If to the Company:

Humana Inc.
500 West Main Street
Louisville, Kentucky
Attention: General Counsel
Facsimile: 502-508-4073
E-mail Address: ctodoroff@humana.com

with a copy to:

Fried, Frank, Harris, Shriver & Jacobson LLP
One New York Plaza
New York, NY 10004
Attention: Donald P. Carleen, Esq.
Facsimile: 212-859-4000
E-mail Address: donald.carleen@friedfrank.com

If to the Executive: Bruce D. Broussard at his principal office at the Company (during the Employment Period), and at all times to his principal residence as reflected in the records of the Company.

8.6. Governing Law. This Employment Agreement shall be construed and enforced in accordance with, and the rights and obligations of the parties hereto shall be governed by, the laws of the Commonwealth of Kentucky, without giving effect to the conflicts of law principles thereof.

8.7. Arbitration. Other than with respect to provisions under Section 4 of this Employment Agreement, in the event of any dispute, controversy or claim between the Parties that arises out of or relates to this Employment Agreement, the Executive's employment with the Company, or any termination of such employment, then either Party may, by written notice to the other, require that such dispute, controversy or claim be submitted to arbitration in accordance with the Commercial Arbitration Rules (the "Rules") of the American Arbitration Association (the "AAA"). A single arbitrator shall be selected by agreement of the Parties or, if they do not agree on an arbitrator within thirty (30) days after one Party has notified the other of his or its desire to have the matter settled by arbitration, then the arbitrator shall be selected pursuant to the Rules by the AAA in Louisville, Kentucky. The determination reached in such arbitration shall be final and binding on the Parties without any right of appeal or further dispute, except as otherwise required by applicable law. Unless otherwise agreed by the Parties, any such arbitration shall take place in Louisville, Kentucky. Each party shall bear its own costs and expenses of the arbitrator's expenses and administrative fees of arbitration; provided, that, if the Executive prevails on at least one material issue, the Company shall reimburse the Executive for reasonable attorney's fees and related expenses incurred in connection with such dispute.

8.8. Severability. Whenever possible, each provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Employment Agreement is held to be prohibited by or invalid under applicable law and if the rights or obligations of any party hereto under this Employment Agreement will not be materially and adversely affected thereby, (a) such provision will be fully severable, (b) this Employment Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part hereof, (c) the remaining provisions of this Employment Agreement will remain in full force and effect and will not be affected by the illegal, invalid or unenforceable provision or by its severance herefrom and (d) in lieu of such illegal, invalid or unenforceable provision, there will be added automatically as a part of this Employment Agreement a legal, valid and enforceable provision as similar in terms to such illegal, invalid or unenforceable provision as may be possible. In addition, should a court or arbitrator determine that any provision or portion of any provision of this Employment Agreement, including those contained in Section 4 hereof, is not reasonable or valid, either in period of time, geographical area, or otherwise, the parties hereto agree that such provision should be interpreted and enforced to the maximum extent which such court or arbitrator deems reasonable or valid.

8.9. Entire Agreement. From and after the Effective Date, this Employment Agreement constitutes the entire agreement between the parties hereto, and supersedes all prior representations, term sheets, agreements and understandings (including the Prior Agreement and any prior course of dealings), both written and oral, between the parties hereto with respect to the subject matter hereof.

8.10. Counterparts. This Employment Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

8.11. Binding Effect. This Employment Agreement shall be binding upon and inure to the benefit of and be enforceable by the parties hereto and any of their respective successors, personal representatives and permitted assigns, including, without limitation, the Executive's heirs and the personal representatives of the Executive's estate and any successor to all or substantially all of the business and/or assets of the Company.

8.12. General Interpretive Principles. Whenever used in this Employment Agreement, except as otherwise expressly provided or unless the context otherwise requires, any noun or pronoun shall be deemed to include the plural as well as the singular and to cover all genders. The headings of the sections, paragraphs, subparagraphs, clauses and subclauses of this Employment Agreement are for convenience of reference only and shall not in any way affect the meaning or interpretation of any of the provisions hereof. Unless otherwise specified, the terms "hereof," "herein" and similar terms refer to this Employment Agreement as a whole (including the exhibits hereto), and references herein to Sections refer to Sections of this Employment Agreement. Words of inclusion shall not be construed as terms of limitation herein, so that references to "include," "includes" and "including" shall not be limiting and shall be regarded as references to non-exclusive and non-characterizing illustrations.

8.13. Non-Exclusivity of Rights; Full Settlement. Except as provided in Section 3.4, nothing in this Employment Agreement shall prevent or limit the Executive's continuing or future participation in any plan, program, policy or practice provided by the Company or its Affiliates and for which the Executive may qualify, nor shall anything herein limit or otherwise affect such rights as the Executive may have under any other contract or agreement with the Company or its Affiliates. Amounts that are vested benefits or that the Executive is otherwise entitled to receive under any plan, policy, practice or program of or any other contract or agreement with the Company or its Affiliates at or subsequent to the Termination Date shall be payable in accordance with such plan, policy, practice or program or contract or agreement, except as explicitly modified by this Employment Agreement. The Executive shall not be obligated to seek other employment or otherwise mitigate the amounts payable to the Executive under this Employment Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Employment Agreement as of the date first written above.

HUMANA INC.

By: /s/ Michael B. McCallister
Name: Michael B. McCallister
Title: Chairman and Chief Executive Officer

EXECUTIVE

/s/ Bruce D. Broussard
Bruce D. Broussard

[Signature Page to Employment Agreement]

Exhibit A

Release

1. In consideration of the payments and benefits to be made under the Amended and Restated Employment Agreement, dated as of November 2, 2012 (the "Employment Agreement"), by and between Bruce D. Broussard (the "Executive") and Humana Inc. (the "Company") (each of the Executive and the Company, a "Party" and together, the "Parties"), the sufficiency of which the Executive acknowledges, the Executive, with the intention of binding himself and his heirs, executors, administrators and assigns, does hereby release, remise, acquit and forever discharge the Company and each of its subsidiaries and Affiliates (as defined in the Employment Agreement) (the "Company Affiliated Group"), their present and former officers, directors, executives, stockholders, agents, attorneys, employees and employee benefit plans (and the fiduciaries thereof), and the successors, predecessors and assigns of each of the foregoing (collectively, the "Company Released Parties"), of and from any and all claims, actions, causes of action, complaints, charges, demands, rights, damages, debts, sums of money, accounts, financial obligations, suits, expenses, attorneys' fees and liabilities of whatever kind or nature in law, equity or otherwise, whether accrued, absolute, contingent, unliquidated or otherwise and whether now known or unknown, suspected or unsuspected, which the Executive, individually or as a member of a class, now has, owns or holds, or has at any time heretofore had, owned or held, arising on or prior to the date hereof, against any Company Released Party that arises out of, or relates to, the Employment Agreement, the Executive's employment with the Company or any of its subsidiaries and Affiliates, or any termination of such employment, including claims (i) for severance or vacation or paid time off benefits, unpaid wages, salary or incentive payments, (ii) for breach of contract, wrongful discharge, impairment of economic opportunity, defamation, intentional infliction of emotional harm or other tort, (iii) for any violation of applicable state and local labor and employment laws (including, without limitation, all laws concerning unlawful and unfair labor and employment practices) and (iv) for employment discrimination under any applicable federal, state or local statute, provision, order or regulation, and including, without limitation, any claim under Title VII of the Civil Rights Act of 1964 ("Title VII"), the Civil Rights Act of 1988, the Fair Labor Standards Act, the Americans with Disabilities Act ("ADA"), the Family and Medical Leave Act, the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Age Discrimination in Employment Act ("ADEA"), the Equal Pay Act, the Uniformed Services Employment and Reemployment Rights Act and any similar or analogous state statute.

Notwithstanding the foregoing, this Release shall not apply and expressly excludes: (a) vested benefits under any plan maintained by the Company that provides for deferred compensation, equity compensation or pension or retirement benefits; (b) health benefits under any policy or plan currently maintained by the Company that provides for health insurance continuation or conversion rights including, but not limited to, rights and benefits to continue health care coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended or similar state law; (c) any claim that cannot by law be waived or released by private agreement; (d) claims arising after the date of the Release; (e) to the extent not paid as of the date of this Release, payments and benefits to be made under the Employment Agreement; (f) claims under any directors and officers insurance policies; and (g) rights to indemnification Executive may have under the by-laws or certificate of incorporation of the Company and its Affiliates, any applicable indemnification agreements with the Company and its Affiliates or applicable law.

2. The Executive acknowledges and agrees that the release of claims set forth in this Release is not to be construed in any way as an admission of any liability whatsoever by any Company Released Party, any such liability being expressly denied.

3. The release of claims set forth in this Release applies to any relief no matter how called, including, without limitation, (i) wages, (ii) back pay or front pay, (iii) compensatory damages, liquidated damages, punitive damages, damages for pain or suffering, (iv) costs, (v) attorneys' fees and expenses, and (vi) any right to receive any compensation or benefit from any complaint, claim, or charge with any local, state or federal court, agency or board, or in any proceeding of any kind which may be brought against the Company as a result of such a complaint, claim or charge.

4. The Executive specifically acknowledges that his acceptance of the terms of the release of claims set forth in this Release is, among other things, a specific waiver of his rights, claims and causes of action under Title VII, ADEA, ADA and any state or local law or regulation in respect of discrimination of any kind; provided, however, that nothing herein shall be deemed, nor does anything contained herein purport, to be a waiver of any right or claim or cause of action which by law the Executive is not permitted to waive.

5. As to rights, claims and causes of action arising under the ADEA, the Executive acknowledges that he has been given a period of twenty-one (21) days to consider whether to execute this Release. If the Executive accepts the terms hereof and executes this Release, he may thereafter, for a period of seven (7) days following (and not including) the date of execution, revoke this Release as it relates to the release of claims arising under the ADEA. If no such revocation occurs, this Release shall become irrevocable in its entirety, and binding and enforceable against the Executive, on the day next following the day on which the foregoing seven-day period has elapsed. If such a revocation occurs, the Executive shall irrevocably forfeit any right to payment of the Severance and Pro-Rata Incentive and provision of Benefit Continuation (each, as defined in the Employment Agreement), but the remainder of the Employment Agreement shall continue in full force.

6. Other than as to rights, claims and causes of action arising under the ADEA, the release of claims set forth in this Release shall be immediately effective upon execution by the Executive.

7. The Executive acknowledges and agrees that he has not, with respect to any transaction or state of facts existing prior to the date hereof, filed any complaints, charges or lawsuits against any Company Released Party with any governmental agency, court or tribunal.

8. The Executive acknowledges that he has been advised to seek, and has had the opportunity to seek, the advice and assistance of an attorney with regard to the release of claims set forth in this Release, and has been given a sufficient period within which to consider the release of claims set forth in this Release.

9. The Executive acknowledges that the release of claims set forth in this Release relates only to claims that exist as of the date of this Release.

10. The Executive acknowledges that the Severance, Pro-Rata Incentive and Benefit Continuation he is receiving in connection with the release of claims set forth in this Release and his obligations under this Release are in addition to anything of value to which the Executive is entitled from the Company.

11. Each provision hereof is severable from this Release, and if one or more provisions hereof are declared invalid, the remaining provisions shall nevertheless remain in full force and effect. If any provision of this Release is so broad, in scope, or duration or otherwise, as to be unenforceable, such provision shall be interpreted to be only so broad as is enforceable.

12. This Release constitutes the complete agreement of the Parties in respect of the subject matter hereof and shall supersede all prior agreements between the Parties in respect of the subject matter hereof except to the extent set forth herein.

13. The failure to enforce at any time any of the provisions of this Release or to require at any time performance by another party of any of the provisions hereof shall in no way be construed to be a waiver of such provisions or to affect the validity of this Release, or any part hereof, or the right of any party thereafter to enforce each and every such provision in accordance with the terms of this Release.

14. This Release may be executed in several counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures delivered by facsimile shall be deemed effective for all purposes.

15. This Release shall be binding upon any and all successors and assigns of the Executive and the Company.

16. Except for issues or matters as to which federal law is applicable, this Release shall be governed by and construed and enforced in accordance with the laws of the Commonwealth of Kentucky without giving effect to the conflicts of law principles thereof.

[Signature Page Follows]

IN WITNESS WHEREOF, this Release has been signed as of ____________________, 20__.

By: ________________________________
Name: Bruce D. Broussard

Exhibit B

The below definition of Change in Control is the definition used in the Humana Inc. Amended and Restated 2011 Stock Incentive Plan. All definitions referred to but not defined herein shall have the meaning ascribed to them in the 2011 Stock Incentive Plan.

"Change in Control" shall mean the occurrence of:

(a) An acquisition (other than directly from the Company) of any voting securities of the Company (the "Voting Securities") by any "Person" (as the term person is used for purposes of Section 13(d) or 14(d) of the Exchange Act), immediately after which such Person has "Beneficial Ownership" (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of twenty percent (20%) or more of the combined voting power of the Company's then outstanding Voting Securities; provided, however, in determining whether a Change in Control has occurred, Voting Securities which are acquired in a "Non-Control Acquisition" (as hereinafter defined) shall not constitute an acquisition which would cause a Change in Control. A "Non-Control Acquisition" shall mean an acquisition by (i) an employee benefit plan (or a trust forming a part thereof) maintained by (A) the Company or (B) any corporation or other Person of which a majority of its voting power or its equity securities or equity interest is owned, directly or indirectly, by the Company (for purposes of this definition, a "Subsidiary"), (ii) the Company or its Subsidiaries, or (iii) any Person in connection with a "Non-Control Transaction" (as hereinafter defined);

(b) The individuals who, as of the effective date of this Plan are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the members of the Board; provided, however, that if the election, or nomination for election by the Company's common stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Plan, be considered as a member of the Incumbent Board; provided further, however, that no individual shall be considered a member of the Incumbent Board if such individual initially assumed office as a result of either an actual or threatened solicitation of proxies or consents by or on behalf of a Person other than the Board (a "Proxy Contest") including by reason of any agreement intended to avoid or settle any Proxy Contest; or

(c) The consummation of:

(i) A merger, consolidation or reorganization involving the Company, unless such merger, consolidation or reorganization is a "Non-Control Transaction." A "Non-Control Transaction" shall mean a merger, consolidation or reorganization of the Company where:

(A) the stockholders of the Company, immediately before such merger, consolidation or reorganization, own directly or indirectly immediately following such merger, consolidation or reorganization, at least seventy-five percent (75%) of the combined voting power of the outstanding Voting Securities of the corporation resulting from such merger or consolidation or reorganization (the "Surviving Corporation") in substantially the same proportion as their ownership of the Voting Securities immediately before such merger, consolidation or reorganization;

(B) the individuals who were members of the Incumbent Board immediately prior to the execution of the agreement providing for such merger, consolidation or reorganization constitute at least two-thirds of the members of the board of directors of the Surviving Corporation, or a corporation beneficially directly or indirectly owning a majority of the Voting Securities of the Surviving Corporation, and no agreement, plan or arrangement is in place to change the composition of the board of directors following the merger, consolidation or reorganization; and

(C) no Person other than (i) the Company, (ii) any Subsidiary, (iii) any employee benefit plan (or any trust forming a part thereof) maintained by the Company, the Surviving Corporation, or any Subsidiary, or (iv) any Person who, immediately prior to such merger, consolidation or reorganization had Beneficial Ownership of twenty percent (20%) or more of the then outstanding Voting Securities, has Beneficial Ownership of twenty percent (20%) or more of the combined voting power of the Surviving Corporation's then outstanding voting securities.

(ii) A complete liquidation or dissolution of the Company; or

(iii) The sale or other disposition of all or substantially all of the assets of the Company to any Person (other than a transfer to a Subsidiary).

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur solely because any Person (the "Subject Person") acquired Beneficial Ownership of more than the permitted amount of the then outstanding Voting Securities as a result of the acquisition of Voting Securities by the Company which, by reducing the number of Voting Securities then outstanding, increases the proportional number of Shares Beneficially Owned by the Subject Persons, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of Voting Securities by the Company, and after such share acquisition by the Company, the Subject Person becomes the Beneficial Owner of any additional Voting Securities which increases the percentage of the then outstanding Voting Securities Beneficially Owned by the Subject Person, then a Change in Control shall occur.

Exhibit 10.2

October 31, 2012

Michael B. McCallister
Chairman and Chief Executive Officer
500 West Main Street
Louisville, Kentucky 40202

Re: Non-Executive Chairmanship and Related Matters

Dear Mike:

This letter is intended to set forth our mutual understanding regarding your anticipated service as Non-Executive Chairman ("Chairman") of the Board of Directors of Humana Inc. (the "Company"). You have provided notice that you intend to retire as Chief Executive Officer of the Company effective as of December 31, 2012. You and the Company agree that your service as Chairman will commence on January 1, 2013. The period during which you serve as Chairman is referred to in this letter as the "Term."

During the Term, you will receive an annual Chairman's retainer in the amount of $175,000. This will be in addition to any other compensation to which you are entitled as a member of the Board of Directors. You will be provided office space at one of the Company's existing facilities in Louisville (other than the corporate headquarters at 500 W. Main Street) and you will have access to administrative and other customary support, in each case as necessary to perform your duties as Chairman. Your current administrative assistant will become part of the Company's Office of the Chief Executive.

Reference is made to your Amended and Restated Employment Agreement dated as of May 16, 2008 (the "Employment Agreement"). The Company hereby exercises its option under Section 14(a) of the Employment Agreement to enforce the restrictive covenant set forth therein. You and the Company agree that the restrictive covenants will apply during the period commencing on January 1, 2013 and ending on the second anniversary of the termination of your service as a member of the Board. As provided in Section 14(a) of the Employment Agreement, the Company will pay you in a lump sum on or before January 31, 2013 in the amount of $2,170,000, which represents two times your current base salary. This amount is in addition to your annual bonus for 2012 which will be paid in the ordinary course. The Company will continue to provide you benefits (i) during the Term, under either the medical, accident and life insurance plans available to members of the Company's Board of Directors attached hereto as Exhibit A or the letter agreement with Company officers concerning health insurance availability (as described in Exhibit 10(mm) to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1994) attached hereto as Exhibit B (the "Officer's Plan"); and (ii) after the Term, under the Officers Plan (which for clarity will extend until you or your spouse are eligible for Medicare).

Finally, the Company agrees that you will be entitled to purchase the painting currently located in your office at its appraised value of $7,500 and the desk in your office at its appraised value of $6,500.

If the above correctly reflects our understanding and agreement with respect to the foregoing matters, please confirm by signing below.

Very truly yours,

Humana Inc.

By: /s/ James H. Bloem
Name: James H. Bloem
Title: Senior Vice President, Chief Financial Officer & Treasurer

Accepted and agreed this 31st day of October, 2012:

/s/ Michael B. McCallister
Michael B. McCallister

Exhibit A

Board of Directors Medical, Accident and Life Insurance Plans

DIRECTOR COMPENSATION

2013 Director Compensation Program (a)

Annual Retainer [2]	$85,000
Non-Employee Chairman of the Board Additional Annual Retainer [1]	$175,000
Lead Independent Director Additional Annual Retainer	$25,000
Committee Chairman fee per year: 1. Audit Committee Chair 2. Organization & Compensation Committee Chair 3. All other Committee Chairs	 $25,000 $18,000 $12,000
Executive Committee Member fee per year [1]	$12,000
Common Stock per year (1st Business Day of January) [1][3]	$140,000 in common stock (variable # of shares)
Charitable Contributions Annual Match	up to $25,000
Group Life and Accidental Death Insurance — (except Chairman)	$150,000 of coverage
Group Life and Accidental Death Insurance—Chairman [1]	$400,000 of coverage
Business Travel Accident Insurance	$250,000 of coverage
Restricted Stock Units Granted Initial Date of Election [2]	Restricted Stock Unit grant equal to the dollar value of the then current annual stock grant for directors
Medical and Dental	Directors may elect to participate in the medical and dental programs offered to Humana associates at a comparable rate as paid by associates.

(1) Only applicable to non-employee directors.

(2) Effective December 9, 2010, this initial award of Restricted Stock Units is forfeited if the director serves less than one year on the Company's Board of Directors.

(3) Effective January 1, 2013, this annual stock award will be prorated if a director leaves the Board during the year for any reason.

(a) Adopted as of 10/18/12

Exhibit B

Officers Plan

MEMO TO: Officers - Humana Inc.

COPY TO:

FROM:

DATE:

SUBJECT: EXTENDED HEALTH BENEFIT

This is to advise you that the Compensation Committee of the Board of Directors has decided to make available an extended post-termination health insurance benefit to persons who are officers of Humana Inc.

Such benefit will apply to persons who are officers at the time of termination whether such termination is voluntary or involuntary or by reason of disability or retirement; provided, that the benefit will not be available if termination shall be for cause.

Participants will be entitled to continuation of health coverage, under an insured program available to Humana employees, until age sixty-five (65) by paying an amount for such coverage calculated in the manner provided under the Consolidated Omnibus Budget Reconciliation Act (COBRA). This amount is equal to the total premium for such coverage, plus a small administrative fee. Each participant's spouse also shall be entitled, as participant's dependent, to continuation of health insurance coverage until the spouse reaches age sixty-five (65) under the same plans as the participant and subject to the same terms and cost of coverage under those plans as the participant. However, once the participant or spouse reaches age sixty-five (65) and is entitled to coverage under Medicare (or its successor), the Medicare-eligible individual shall not be entitled to dependent coverage under the other's coverage. If the participant discontinues coverage for any reason, coverage will not be reinstated.

Exhibit 99

Humana Reports Third Quarter 2012 Financial Results, Issues 2013 Guidance, and Announces CEO Transition and Recent Strategic Transactions

- **Third quarter EPS of $2.62, above previous guidance**
- **Full-year 2012 EPS guidance raised to $7.25 to $7.35**
- **EPS guidance issued for 2013 of $7.60 to $7.80 including $0.30 per share in investment spending**
- **President Bruce Broussard to become CEO effective January 1, 2013**
- **Strategic transactions with Metropolitan Health, MCCI and Certify Data Systems**

LOUISVILLE, Ky.--(BUSINESS WIRE)--November 5, 2012--Humana Inc. (NYSE: HUM) today reported diluted earnings per common share (EPS) for the quarter ended September 30, 2012 (3Q12) of $2.62, compared to $2.67 per share for the quarter ended September 30, 2011 (3Q11), above previous guidance of $2.00 to $2.10. For the nine months ended September 30, 2012 (YTD12) the company reported $6.27 in EPS compared to $7.24 for the nine months ended September 30, 2011 (YTD11).

Results for 3Q12 reflect the beneficial impact of certain Part D and operating expenses shifting from the previously expected 3Q12 timing to the fourth quarter 2012 as well as the beneficial impact of favorable prior-year medical claims reserve development of approximately $0.21 per share in 3Q12 compared to $0.13 per share for 3Q11.

YTD12 results primarily were due to lower year-over-year operating results in the Retail Segment, partially offset by improved operating results in the Health and Well-Being Services Segment, as described in the segment-level discussions below. YTD12 results included the beneficial impact of favorable prior-year medical claims reserve development of $0.39 per share as well as $0.18 per share in expenses related to the previously-disclosed settlement of a litigation matter. YTD11 included $0.57 per share from the beneficial impact of favorable prior-year medical claims reserve development.

The company now anticipates EPS of approximately $7.25 to $7.35 for the year ending December 31, 2012 (FY12) versus its previous estimate of $6.90 to $7.10, driven primarily by favorable prior-year medical claims reserve development and improved stand-alone Prescription Drug Plan (PDP) results.

Looking ahead to the year ending December 31, 2013 (FY13), the company projects EPS to be in the range of $7.60 to $7.80, a growth rate of 5 percent at the mid-point versus the mid-point of the company's FY12 EPS guidance. Results for FY13 are expected to include approximately $0.30 per share as the company accelerates investments in integrated care delivery models in key markets to ready itself for the future health care environment.

"Our third-quarter results demonstrate that the issues which surfaced in the second quarter have stabilized," said Bruce D. Broussard, President of Humana. "We believe our improving operations and continued Medicare membership growth, together with our integrated care delivery system investments, position Humana well for a dynamic future."

Chief Executive Officer Transition

As disclosed in November 2011, Michael B. McCallister, Humana's Chairman and Chief Executive Officer, plans to retire as the company's Chief Executive Officer. The company's Board of Directors has appointed Bruce D. Broussard, the company's President since December 2011, to become President and Chief Executive Officer effective January 1, 2013, completing the company's year-long transition plan for the CEO position. At that time, Mr. Broussard will also join the company's Board of Directors and Mr. McCallister will become non-executive Chairman of the Board of Directors.

"Long-term, we believe the company is poised for further growth under the leadership of our incoming CEO, Bruce Broussard," said McCallister. "Bruce's focus, energy, and effectiveness have been amply displayed in his tenure as Humana's president."

Strategic Transactions

Humana announced the following transactions today, each a strategic step in the company's continued development of an integrated care delivery model.

- **Metropolitan Health Networks, Inc. (NYSE: MDF)** – The company announced that it has entered into a definitive agreement to acquire Metropolitan Health Networks, Inc. (Metropolitan), a Medical Services Organization (MSO) that coordinates medical care for Medicare Advantage and Medicaid beneficiaries primarily in Florida. Under the terms of the agreement, Humana will pay $11.25 per share in cash to acquire all of the outstanding shares of Metropolitan and repay all outstanding debt for an estimated transaction value of approximately $850 million plus transaction costs. The transaction is subject to Metropolitan shareholder approval as well as expiration of the Hart-Scott-Rodino anti-trust waiting period and is expected to close by the end of the first quarter of 2013. Humana expects to finance this transaction with a combination of cash and debt.
- **MCCI Holdings, L.L.C.** – The company has acquired a non-controlling equity interest in MCCI Holdings, L.L.C. (MCCI), an MSO headquartered in Miami, Florida that coordinates medical care for Medicare Advantage and Medicaid beneficiaries primarily in Florida and Texas. Terms of the transaction were not disclosed.
- **Certify Data Systems** – The company has acquired Certify Data Systems (Certify), a pioneer in health information exchange (HIE) technology. Certify's HealthLogix^{TM} solution provides two-way sharing of clinical information across disparate electronic health-record systems, connecting healthcare providers and allowing them to share relevant patient health information in real-time. Terms of the transaction were not disclosed.

“Today we significantly advanced our strategy of aligning physician pay to quality through our investments in Metropolitan and MCCI. Combined with existing capabilities in our CAC and Concentra medical centers, Humana will soon employ or have strategic investments in medical practices that include nearly 2,300 physicians nationwide.” said Broussard. “The Certify acquisition furthers our integrated data platform through the real-time sharing of relevant health information at the point of care.

“Taken together, the three transactions we announced today unite key components of our integrated model, simplifying and enhancing our members’ health care experience.”

The company anticipates the cumulative impact of the transactions described above to be modestly accretive to its earnings for FY13 after giving effect to the related transaction costs.

Consolidated Highlights – Third Quarter 2012 Results

Revenues – 3Q12 consolidated revenues were $9.65 billion, an increase of 4 percent from $9.30 billion in 3Q11, with total premiums and services revenue also up 4 percent compared to the prior year’s quarter. The year-over-year increase in consolidated revenues was primarily due to related increases in the Retail and Employer Group segments primarily driven by higher average individual and group Medicare membership. These increases were partially offset by the company’s new South Region TRICARE contract being accounted for as self-funded versus fully-insured for the previous contract. This new contract became effective on April 1, 2012.

YTD12 consolidated revenues increased 6 percent to $29.57 billion from $27.78 billion in YTD11 with total premiums and services revenue also up 6 percent compared to the prior year’s period, driven primarily by the same factors as the third quarter year-over-year increase.

Benefit expenses – The 3Q12 consolidated benefit ratio (benefit expenses as a percent of premiums) of 82.2 percent increased by 150 basis points from 80.7 percent for the prior year’s quarter due primarily to higher year-over-year benefit ratios for the Retail and Employer Group segments. These increases were partially offset by a decrease in the impact of the benefit ratio for Other Businesses primarily due to the transition to the new administrative services only (ASO) South Region TRICARE contract on April 1, 2012.

The consolidated benefit ratio for YTD12 of 83.7 percent increased by 150 basis points from the YTD11 consolidated benefit ratio of 82.2 percent primarily due to the same factors impacting the year-over-year change for the third quarter.

Operating costs – The consolidated operating cost ratio (operating costs as a percent of total revenues less investment income) of 14.7 percent for 3Q12 compares to 14.8 percent in 3Q11 primarily reflecting substantially improved operating leverage nearly offset by the impact of the accounting for the company’s new South Region TRICARE contract in the company’s Other Businesses.

The YTD12 consolidated operating cost ratio of 14.3 percent increased by 40 basis points from that for YTD11 of 13.9 percent as the negative impact of the accounting for the company’s new South Region TRICARE contract was partially offset by improvements in operating leverage.

Retail Segment Highlights

Pretax results:

- Retail Segment pretax income of $424 million in 3Q12 decreased by $117 million from $541 million in 3Q11. For YTD12, pretax earnings for the Retail Segment of $906 million decreased by $355 million versus YTD11 pretax earnings for the segment of $1.26 billion. These decreases were primarily driven by year-over-year increases in the segment’s benefit ratios during 3Q12 and YTD12.

- Pretax income for the Retail Segment also included the beneficial impact of favorable prior-year medical claims reserve development of approximately $38 million in 3Q12 compared to $32 million in 3Q11. YTD12 pretax income included the beneficial impact of favorable prior-year medical claims reserve development of $95 million compared to $104 million in YTD11.

Enrollment:

- Individual Medicare Advantage membership was 1,911,800 at September 30, 2012, an increase of 298,400 members, or 18 percent from 1,613,400 at September 30, 2011 primarily due to a successful enrollment season associated with the 2012 plan year as well as age-in enrollment throughout the year. Individual Medicare Advantage membership has increased 271,500, or 17 percent, through September 30, 2012 from 1,640,300 at December 31, 2011.

- The individual Medicare Advantage membership changes described above include 12,100 members associated with the acquisition of MD Care effective December 30, 2011 and 62,600 members from the acquisition of Arcadian Management Services, Inc. (Arcadian) effective March 31, 2012. As previously announced, the company expects to divest approximately 12,600 members acquired with Arcadian effective January 1, 2013 in accordance with the company's previously disclosed agreement with the United States Department of Justice.

- Membership in the company's individual stand-alone PDPs was 2,947,200 at September 30, 2012, up 469,100, or 19 percent, compared to 2,478,100 at September 30, 2011 and up 406,800, or 16 percent, from 2,540,400 at December 31, 2011. These increases resulted primarily from growth in the company's Humana-Walmart plan offering.

- *Humana*One® medical membership increased to 443,400 at September 30, 2012, an increase of 19,400, or 5 percent, from 424,000 at September 30, 2011 and an increase of 9,800, or 2 percent, from 433,600 at December 31, 2011.

- Membership in individual specialty products [a] of 940,800 at September 30, 2012 increased by 185,200, or 25 percent, from 755,600 at September 30, 2011 and up 158,300, or 20 percent, from 782,500 at December 31, 2011. Both the sequential and year-over-year increases were primarily driven by increased sales in dental offerings.

Premiums and services revenue:

- 3Q12 premiums and services revenue for the Retail Segment was $6.14 billion, an increase of 14 percent from $5.40 billion in 3Q11. The increase was primarily the result of year-over-year membership growth for individual Medicare Advantage plans.

Benefit expenses:

- The 3Q12 benefit ratio for the Retail Segment was 82.3 percent, an increase of 360 basis points from 78.7 percent in 3Q11. The increase was primarily driven by a higher Medicare Advantage benefit ratio associated with new members and increased outpatient utilization for both new and existing members.

- Retail Segment prior-year favorable medical claims reserve development lowered the related benefit ratios by 60 basis points in both 3Q12 and 3Q11.

Operating costs:

- The Retail Segment's operating cost ratio of 10.7 percent in 3Q12 decreased 50 basis points from 11.2 percent in 3Q11 reflecting cost efficiencies resulting from higher membership together with the company's continued focus on operating cost efficiencies.

Employer Group Segment Highlights

Pretax results:

- Employer Group Segment pretax income of $43 million in 3Q12 compares to $46 million in 3Q11. For YTD12, pretax earnings for the Employer Group Segment of $278 million decreased by $15 million versus YTD11 pretax earnings for the segment of $293 million. These decreases primarily reflected year-over-year increases in this segment's benefit ratio partially offset by lower operating cost ratios.
- Pretax income for the Employer Group Segment also included the beneficial impact of favorable prior-year medical claims reserve development of approximately $14 million in 3Q12 compared to $9 million in 3Q11. YTD12 pretax income included $4 million in unfavorable prior-year medical claims reserve development versus the beneficial impact of $42 million in favorable medical claims reserve development in YTD11.

Enrollment:

- Group Medicare Advantage membership was 395,700 at September 30, 2012, an increase of 80,200 members, or 25 percent, from 315,500 at September 30, 2011, and an increase of 77,500, or 24 percent, from 318,200 at December 31, 2011.
- Group fully-insured commercial medical membership increased to 1,204,500 at September 30, 2012, an increase of 23,200, or 2 percent, from 1,181,300 at September 30, 2011, and an increase of 24,300, or 2 percent, from 1,180,200 at December 31, 2011. Third quarter year-over-year and year-to-date changes primarily reflected growth in small group membership being partially offset by declines in large group business.
- Group ASO commercial medical membership was 1,231,100 at September 30, 2012, a decrease of 55,900, or 4 percent, from 1,287,000 at September 30, 2011, and a decrease of 61,200, or 5 percent, from 1,292,300 at December 31, 2011. This decline reflected a continuation of discipline in pricing services for self-funded accounts amid a highly competitive environment.
- Membership in Employer Group specialty products [a] of 7,088,600 at September 30, 2012 increased 10 percent from 6,419,300 at September 30, 2011, and increased 556,000, or 9 percent, from 6,532,600 at December 31, 2011. Membership increases were primarily due to increased cross-sales of the company's specialty products to its medical membership and growth in stand-alone specialty product sales.

Premiums and services revenue:

- 3Q12 premiums and services revenue for the Employer Group Segment were $2.64 billion, an increase of $325 million, or 14 percent, from $2.32 billion in 3Q11 due primarily to the result of increased group Medicare Advantage membership year-over-year.

Benefit expenses:

- 3Q12 benefit ratio for the Employer Group Segment was 85.3 percent, an increase of 180 basis points, from 83.5 percent for 3Q11. The year-over-year increase in the benefit ratio due to higher average group Medicare membership year-over-year. Group Medicare benefit plans generally carry a higher benefit ratio than commercial group medical products.
- Employer Group Segment prior-year favorable medical claims reserve development lowered the related benefit ratios by 60 basis points in 3Q12 and 40 basis points in 3Q11.

Operating costs:

- The Employer Group Segment's operating cost ratio of 15.6 percent in 3Q12 improved 190 basis points from 17.5 percent in 3Q11 reflecting increased year-over-year membership in the company's group Medicare Advantage products (which generally carry a lower operating cost ratio than the company's fully-insured commercial group products) as well as savings associated with operating cost reduction initiatives.

Health and Well-Being Services Segment Highlights

Pretax results:

- Health and Well-Being Services Segment pretax income of $148 million in 3Q12 compared to $83 million in 3Q11. For YTD12, pretax earnings for the Health and Well-Being Services Segment of $411 million increased by $143 million versus YTD11 pretax earnings for the segment of $268 million. These increases primarily reflected growth in the company's pharmacy solutions business, including higher script volumes within the company's RightSourceRx® mail-order pharmacy.

Script volume:

- Script volumes for the Retail and Employer Group Segments' membership increased to approximately 60 million in 3Q12, up 8 million, or 15 percent, versus 3Q11 scripts of approximately 52 million. The year-over-year increase primarily reflects growth associated with higher average medical membership for 3Q12 than in 3Q11 together with an increase in mail order penetration for the company's medical membership year over year.

Services revenue:

- Services revenue of $3.20 billion in 3Q12 for the Health and Well-Being Services Segment increased 13 percent from $2.83 billion in 3Q11. This increase was primarily driven by growth in the company's Medicare Advantage membership, who use the company's pharmacy benefit management services under its health plan offerings, as well as higher script volumes for RightSourceRx mail-order pharmacy by the company's membership across all product lines.

Operating costs:

- The Health and Well-Being Services Segment's operating cost ratio of 94.6 percent in 3Q12 decreased 170 basis points from 96.3 percent in 3Q11. The decrease primarily reflects better operating cost leverage associated with higher script volumes in the company's RightSourceRx mail-order pharmacy.

Other Businesses Highlights

- On April 1, 2012, the company's new South Region TRICARE contract became effective with the Department of Defense (DoD). The company's new contract is structured similar to self-funded products versus a fully-insured structure for the company's previous South Region TRICARE contract with the DoD. This change resulted in significant volatility in year-over-year comparisons for the company's Other Businesses during 3Q12 and YTD12.

Balance Sheet

- At September 30, 2012, the company had cash, cash equivalents, and investment securities of $11.26 billion, a decrease of $2.28 billion, or 17 percent, from $13.53 billion at June 30, 2012 primarily driven by the timing of the Medicare premium payment from the Centers for Medicare and Medicaid Services (CMS).
- Parent company cash and short-term investments of $522 million at September 30, 2012 decreased $758 million from $1.28 billion at June 30, 2012 primarily due to the 3Q12 share repurchase activity and cash dividends paid to stockholders during 3Q12. Completion of the SeniorBridge and certain other smaller acquisitions also contributed to the sequential decline in parent company cash and investments during 3Q12.

- Days in claims payable were 51.6 at September 30, 2012, up slightly from 51.0 at June 30, 2012.

- Debt-to-total capitalization at September 30, 2012 was 15.7 percent, down 40 basis points compared to 16.1 percent at June 30, 2012 primarily driven by higher capitalization associated with 3Q12 earnings.

Cash Flows from Operations

- Cash flows used in operations for 3Q12 of $1.33 billion compared to cash flows provided by operations of $2.92 billion in 3Q11. Cash flows provided by operations for YTD12 totaled $1.72 billion compared to $3.88 billion in YTD11. The company also evaluates operating cash flows on a non-GAAP basis:

Net cash (used in) provided by operating activities **(in millions)**	**3Q12** **Cash Flows**	3Q11 Cash Flows	**YTD12** **Cash Flows**	YTD11 Cash Flows
GAAP	**($1,334)**	$2,919	$1,718	$3,876
Timing of premium payment from CMS [b]	**2,133**	(1,796)	-	(1,796)
Non-GAAP [c]	**$799**	$1,123	$1,718	$2,080

The year-over-year decrease in the non-GAAP cash flows from operations is due to the negative effect on cash flows of changes in working capital accounts combined with lower net income year over year.

Share Repurchase Program

- During 3Q12, the company executed share repurchases of $234.3 million, or approximately 3,523,900 of its outstanding shares, at an average price per share of $66.50. As of November 5, 2012, approximately $640 million of the $1 billion April 2012 share repurchase authorization remained, with an expiration date of June 30, 2014.

Footnotes

(a) The company provides a full range of insured specialty products including dental, vision and other supplemental health and financial protection products. Members included in these products may not be unique to each product since members have the ability to enroll in multiple products. Other supplemental benefits include life, disability, and fixed benefit products including cancer and critical illness policies.

(b) Generally, when the first day of a month falls on a weekend or holiday, with the exception of January 1 (New Year's Day), the company receives this payment at the end of the previous month. Therefore the year-to-date 2012 period included nine monthly Medicare payments compared to ten monthly Medicare payments during the 2011 period.

(c) The Company has included certain financial measures that are not in accordance with Generally Accepted Accounting Principles (GAAP) in its summary of financial results within this earnings press release. The company believes that these non-GAAP measures, when presented in conjunction with comparable GAAP measures, are useful to both management and its investors in analyzing the company's ongoing business and operating performance. Internally, management uses these non-GAAP financial measures as indicators of business performance, as well as for operational planning and decision making purposes. Non-GAAP financial measures should be considered in addition to, but not as a substitute for, or superior to, financial measures prepared in accordance with GAAP.

Conference Call & Virtual Slide Presentation

Humana will host a conference call, as well as a virtual slide presentation, at 9:00 a.m. eastern time today to discuss its financial results for the quarter and the company's expectations for future earnings. A live virtual presentation (audio with slides) may be accessed via Humana's Investor Relations page at www.humana.com. The company suggests web participants sign on at least 15 minutes in advance of the call. The company also suggests web participants visit the site well in advance of the call to run a system test and to download any free software needed to view the presentation.

All parties interested in the audio-only portion of the conference call are invited to dial 888-625-7430. No password is required. The company suggests participants dial in at least ten minutes in advance of the call. For those unable to participate in the live event, the virtual presentation archive may be accessed via the Historical Webcasts & Presentations section of the Investor Relations page at www.humana.com.

Biennial Investor Meeting

Humana plans to host its biennial Investor Meeting on November 13, 2012 beginning at 8:30 a.m. eastern time. That meeting will be available to the media and general public via webcast. The company anticipates publishing a detailed agenda for the Investor Meeting no later than November 12, 2012.

Cautionary Statement

This news release 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 Humana's executive officers, the words or phrases like "expects," "anticipates," "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 the company's SEC filings, a summary of which includes but is not limited to the following:

- If Humana does not design and price its products properly and competitively, if the premiums Humana charges are insufficient to cover the cost of health care services delivered to its members, if the company is unable to implement clinical initiatives to provide a better health care experience for its members, lower costs and appropriately document the risk profile of its members, or if its estimates of benefit expenses are inadequate, Humana's profitability could be materially adversely affected. Humana estimates the costs of its benefit expense payments, and designs and prices its products accordingly, using actuarial methods and assumptions based upon, among other relevant factors, claim payment patterns, medical cost inflation, and historical developments such as claim inventory levels and claim receipt patterns. These estimates, however, involve extensive judgment, and have considerable inherent variability because they are extremely sensitive to changes in payment patterns and medical cost trends.

- If Humana fails to effectively implement its operational and strategic initiatives, including its Medicare initiatives, the company's business may be materially adversely affected, which is of particular importance given the concentration of the company's revenues in the Medicare business.

- If Humana fails to properly maintain the integrity of its data, to strategically implement new information systems, to protect Humana's proprietary rights to its systems, or to defend against cyber-security attacks, the company's business may be materially adversely affected.

- Humana's business may be materially adversely impacted by CMS's adoption of a new coding set for diagnoses.

- Humana is involved in various legal actions and governmental and internal investigations, including without limitation, an ongoing internal investigation and litigation and government requests for information related to certain aspects of its Florida subsidiary operations, any of which, if resolved unfavorably to the company, could result in substantial monetary damages. Increased litigation and negative publicity could increase the company's cost of doing business.

- As a government contractor, Humana is exposed to risks that may materially adversely affect its business or its willingness or ability to participate in government health care programs.

- Recently enacted health insurance reform, including The Patient Protection and Affordable Care Act and The Health Care and Education Reconciliation Act of 2010, could have a material adverse effect on Humana's results of operations, including restricting revenue, enrollment and premium growth in certain products and market segments, restricting the company's ability to expand into new markets, increasing the company's medical and operating costs by, among other things, requiring a minimum benefit ratio on insured products (and particularly how the ratio may apply to Medicare plans, including aggregation, credibility thresholds, and its possible application to prescription drug plans), lowering the company's Medicare payment rates and increasing the company's expenses associated with a non-deductible federal premium tax and other assessments; financial position, including the company's ability to maintain the value of its goodwill; and cash flows. In addition, if the new non-deductible federal premium tax and other assessments, including a three-year commercial reinsurance fee, were imposed as enacted, and if Humana is unable to adjust its business model to address these new taxes and assessments, such as through the reduction of the company's operating costs, there can be no assurance that the non-deductible federal premium tax and other assessments would not have a material adverse effect on the company's results of operations, financial position, and cash flows.

- Humana's business activities are subject to substantial government regulation. New laws or regulations, or changes in existing laws or regulations or their manner of application could increase the company's cost of doing business and may adversely affect the company's business, profitability and cash flows.

- Any failure to manage operating costs could hamper Humana's profitability.

- Any failure by Humana to manage acquisitions and other significant transactions successfully may have a material adverse effect on its results of operations, financial position, and cash flows.

- If Humana fails to develop and maintain satisfactory relationships with the providers of care to its members, the company's business may be adversely affected.
- Humana's pharmacy business is highly competitive and subjects it to regulations in addition to those the company faces with its core health benefits businesses.
- Changes in the prescription drug industry pricing benchmarks may adversely affect Humana's financial performance.
- If Humana does not continue to earn and retain purchase discounts and volume rebates from pharmaceutical manufacturers at current levels, Humana's gross margins may decline.
- Humana's ability to obtain funds from its subsidiaries is restricted by state insurance regulations.
- Downgrades in Humana's debt ratings, should they occur, may adversely affect its business, results of operations, and financial condition.
- Changes in economic conditions could adversely affect Humana's business and results of operations.
- The securities and credit markets may experience volatility and disruption, which may adversely affect Humana's business.
- Given the current economic climate, Humana's stock and the stock of other companies in the insurance industry may be increasingly subject to stock price and trading volume volatility.

In making forward-looking statements, Humana is not undertaking to address or update them in future filings or communications regarding its business or results. In light of these risks, uncertainties, and assumptions, the forward-looking events discussed herein may or may not occur. There also may be other risks that the company is 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 for further discussion both of the risks it faces and its historical performance:

- Form 10-K for the year ended December 31, 2011;
- Form 10-Q for the quarters ended March 31, 2012 and June 30, 2012;
- Form 8-Ks filed during 2012.

About Humana

Humana Inc., headquartered in Louisville, Kentucky, is a leading health care company that offers a wide range of insurance products and health and wellness services that incorporate an integrated approach to lifelong well-being. By leveraging the strengths of its core businesses, Humana believes it can better explore opportunities for existing and emerging adjacencies in health care that can further enhance wellness opportunities for the millions of people across the nation with whom the company has relationships.

More information regarding Humana is available to investors via the Investor Relations page of the company's web site at www.humana.com, including copies of:

- Annual reports to stockholders;
- Securities and Exchange Commission filings;
- Most recent investor conference presentations;
- Quarterly earnings news releases;
- Replays of most recent earnings release conference calls;
- Calendar of events (including upcoming earnings conference call dates and times, as well as planned interaction with research analysts and institutional investors);
- Corporate Governance information

Humana Inc. – Earnings Guidance Points as of November 5, 2012

(in accordance with Generally Accepted Accounting Principles)	**For the year ending December 31,** **2012**	**2013**	**Comments** *Excludes the pending acquisition of Metropolitan Health Networks, Inc.*
Diluted earnings per common share (EPS)			2013 includes approximately $0.30 per share in investment spending
Full Year	$7.25 to $7.35	$7.60 to $7.80	
Revenues			
Consolidated	$39.0 billion to $39.5 billion	$40.8 billion to $41.3 billion	Includes expected investment income of approximately $385 million for 2012 and in the range of $365 million to $385 million for 2013
Retail Segment	$24.5 billion to $25.0 billion	$26.25 billion to $26.75 billion	Segment-level revenues include intersegment amounts that eliminate in consolidation
Employer Group Segment	$10.5 billion to $11.0 billion	$11.0 billion to $11.5 billion	
Health and Well-Being Services Segment	$13.1 billion to $13.3 billion	$17.5 billion to $18.0 billion	
Other Businesses	$2.50 billion to $2.75 billion	$1.8 billion to $2.1 billion	
Ending medical membership versus prior year end			
Retail Segment			Includes the January 1, 2013 disposition of 12,600 Medicare Advantage members acquired in the March 2012 Arcadian transaction in accordance with the company's previously disclosed agreement with the United States Department of Justice.
Medicare Advantage	Up 270,000 to 280,000	Up 100,000 to 120,000	
Medicare stand-alone PDPs	Up 440,000 to 460,000	Up 125,000 to 175,000	
Humana*One*	Up 5,000 to 10,000	Down approximately 45,000	
Medicare Supplement	Up 15,000 to 25,000	Up 15,000 to 25,000	
Employer Group Segment			
Medicare Advantage	Up approximately 80,000	Up approximately 20,000	
Commercial Fully-Insured	Up approximately 30,000	Down 5,000 to 20,000	
Commercial ASO	Down 50,000 to 60,000	Down 25,000 to 45,000	
Benefit ratios			Benefit expenses as a percent of premiums
Retail Segment	84.0% to 84.5%	84.0% to 84.5%	
Employer Group Segment	84.0% to 85.0%	85.0% to 86.0%	
Operating cost ratios			Consolidated operating costs as a percent of total revenues excluding investment income
Consolidated	14.75% to 15.25%	15.0% to 15.5%	
Health & Well-Being Services Segment	95.25% to 95.75%	96.25% to 96.75%	
Consolidated depreciation and amortization			Certain D&A is included in benefits expense on the income statement but shown as a non-cash item on the cash flows statement
Income statement	$290 million to $310 million	$330 million to $350 million	
Cash flows statement	$330 million to $345 million	$380 million to $400 million	
Consolidated interest expense	Approximately $105 million	Approximately $105 million	
Detailed pretax results			Segment-level pretax results and margins include the impact of net investment income
Retail Segment	$1.10 billion to $1.15 billion 4.5% to 4.7%	$1.29 billion to $1.33 billion Approximately 5% pretax margin	
Employer Group Segment	$200 million to $210 million Approximately 2% pretax margin	$100 million to $150 million 1.0% to 1.2% pretax margin	
Health & Well-Being Services Segment	$510 million to $520 million 3.75% to 4.25% pretax margin	$460 million to $510 million 2.5% to 3.0% pretax margin	
Effective Tax Rate	Approximately 36.8%	Approximately 37%	
Diluted shares	Approximately 163.5 million	Approximately 161.5 million	Projections exclude the impact of future share repurchases
Cash flows from operations	$1.7 billion to $1.9 billion	$1.8 billion to $2.0 billion	
Capital expenditures	Approximately $400 million	$425 million to $450 million	

Key Assumptions Affecting 2013 Guidance*

Dollars in millions except per share amounts

* *Expectation mid-points used for simplicity*

	Pretax Income					
	Retail Segment	**Employer Group Segment**	**Health & Well-Being Services Segment**	**Other Businesses and Corporate**	**Consolidated**	**EPS**
FY12 Guidance	**$1,125**	**$205**	**$515**	**$45**	**$1,890**	**$7.30**
Changes in operating margins	150	(90)	-	(30)	30	0.12
Changes in membership and volume levels	25	10	45	-	80	0.31
Non-recurrence of 2Q12 litigation settlement	-	-	-	46	46	0.18
Subtotal	**$1,300**	**$125**	**$560**	**$61**	**$2,046**	
Change in share count and tax rate						0.09
Subtotal						**$8.00**
Investments in integrated care delivery models	-	-	(75)	-	(75)	(0.30)
FY13 Guidance	**$1,300**	**$125**	**$485**	**$61**	**$1,971**	**$ 7.70**

Humana Inc.
Statistical Schedules
And
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3Q12 Earnings Release

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3Q12 Earnings Release

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Humana Inc.

Consolidated Statements of Income

In millions, except per common share results

	Three Months Ended September 30,			
	2012	2011	Dollar Change	Percentage Change
Revenues:				
Premiums	**$ 9,088**	$ 8,852	$ 236	2.7%
Services	**467**	356	111	31.2%
Investment income	**96**	93	3	3.2%
Total revenues	**9,651**	9,301	350	3.8%
Operating expenses:				
Benefits	**7,467**	7,147	320	4.5%
Operating costs	**1,408**	1,361	47	3.5%
Depreciation and amortization	**75**	67	8	11.9%
Total operating expenses	**8,950**	8,575	375	4.4%
Income from operations	**701**	726	(25)	-3.4%
Interest expense	**26**	27	(1)	-3.7%
Income before income taxes	**675**	699	(24)	-3.4%
Provision for income taxes	**249**	254	(5)	-2.0%
Net income	**$ 426**	$ 445	$ (19)	-4.3%
Basic earnings per common share	**$ 2.65**	$ 2.71	$ (0.06)	-2.2%
Diluted earnings per common share	**$ 2.62**	$ 2.67	$ (0.05)	-1.9%
Shares used in computing basic earnings per common share (000's)	**160,639**	164,121		
Shares used in computing diluted earnings per common share (000's)	**162,418**	166,580		

Humana Inc.

Consolidated Statements of Income

In millions, except per common share results

	Nine Months Ended September 30, 2012	2011	Dollar Change	Percentage Change
Revenues:				
Premiums	$ 28,029	$ 26,468	$ 1,561	5.9%
Services	1,251	1,035	216	20.9%
Investment income	289	273	16	5.9%
Total revenues	29,569	27,776	1,793	6.5%
Operating expenses:				
Benefits	23,469	21,761	1,708	7.8%
Operating costs	4,175	3,810	365	9.6%
Depreciation and amortization	218	201	17	8.5%
Total operating expenses	27,862	25,772	2,090	8.1%
Income from operations	1,707	2,004	(297)	-14.8%
Interest expense	78	82	(4)	-4.9%
Income before income taxes	1,629	1,922	(293)	-15.2%
Provision for income taxes	599	702	(103)	-14.7%
Net income	$ 1,030	$ 1,220	$ (190)	-15.6%
Basic earnings per common share	$ 6.34	$ 7.34	$ (1.00)	-13.6%
Diluted earnings per common share	$ 6.27	$ 7.24	$ (0.97)	-13.4%
Shares used in computing basic earnings per common share (000's)	162,391	166,138		
Shares used in computing diluted earnings per common share (000's)	164,382	168,558		

Humana Inc.
3Q12 Segment Financial Information
In millions

	Retail	Employer Group	Health and Well-Being Services	Other Businesses	Eliminations/ Corporate	Consolidated
Revenues - external customers						
Premiums:						
Medicare Advantage	$ 5,203	$ 1,023	$ -	$ -	$ -	$ 6,226
Medicare stand-alone PDP	635	2	-	64	-	701
Total Medicare	5,838	1,025	-	64	-	6,927
Fully-insured	255	1,256	-	-	-	1,511
Specialty	45	271	-	-	-	316
Military services	-	-	-	69	-	69
Medicaid and other (A)	-	-	-	265	-	265
Total premiums	6,138	2,552	-	398	-	9,088
Services revenue:						
Provider	-	-	271	-	-	271
ASO and other (B)	6	88	-	99	-	193
Pharmacy	-	-	3	-	-	3
Total services revenue	6	88	274	99	-	467
Total revenues - external customers	6,144	2,640	274	497	-	9,555
Intersegment revenues						
Services	1	3	2,324	-	(2,328)	-
Products	-	-	602	-	(602)	-
Total intersegment revenues	1	3	2,926	-	(2,930)	-
Investment income	19	11	-	14	52	96
Total revenues	6,164	2,654	3,200	511	(2,878)	9,651
Operating expenses:						
Benefits	5,049	2,178	-	332	(92)	7,467
Operating costs	658	413	3,028	125	(2,816)	1,408
Depreciation and amortization	33	20	24	4	(6)	75
Total operating expenses	5,740	2,611	3,052	461	(2,914)	8,950
Income from operations	424	43	148	50	36	701
Interest expense	-	-	-	-	26	26
Income before income taxes	$ 424	$ 43	$ 148	$ 50	$ 10	$ 675
Benefit ratio	82.3%	85.3%		83.4%		82.2%
Operating cost ratio (C)	10.7%	15.6%	94.6%	25.2%		14.7%

Humana Inc.
3Q11 Segment Financial Information
In millions

	Retail	Employer Group	Health and Well-Being Services	Other Businesses	Eliminations/ Corporate	Consolidated
Revenues - external customers						
Premiums:						
Medicare Advantage	$ 4,566	$ 803	$ -	$ -	$ -	$ 5,369
Medicare stand-alone PDP	579	2	-	43	-	624
Total Medicare	5,145	805	-	43	-	5,993
Fully-insured	221	1,185	-	-	-	1,406
Specialty	33	235	-	-	-	268
Military services	-	-	-	944	-	944
Medicaid and other (A)	-	-	-	241	-	241
Total premiums	5,399	2,225	-	1,228	-	8,852
Services revenue:						
Provider	-	-	233	-	-	233
ASO and other (B)	5	89	-	26	-	120
Pharmacy	-	-	3	-	-	3
Total services revenue	5	89	236	26	-	356
Total revenues - external customers	5,404	2,314	236	1,254	-	9,208
Intersegment revenues						
Services	-	4	2,130	-	(2,134)	-
Products	-	-	461	-	(461)	-
Total intersegment revenues	-	4	2,591	-	(2,595)	-
Investment income	19	12	-	15	47	93
Total revenues	5,423	2,330	2,827	1,269	(2,548)	9,301
Operating expenses:						
Benefits	4,249	1,857	-	1,117	(76)	7,147
Operating costs	603	406	2,723	121	(2,492)	1,361
Depreciation and amortization	30	21	21	2	(7)	67
Total operating expenses	4,882	2,284	2,744	1,240	(2,575)	8,575
Income from operations	541	46	83	29	27	726
Interest expense	-	-	-	-	27	27
Income before income taxes	$ 541	$ 46	$ 83	$ 29	$ -	$ 699
Benefit ratio	78.7%	83.5%		91.0%		80.7%
Operating cost ratio (C)	11.2%	17.5%	96.3%	9.6%		14.8%

Humana Inc.
YTD12 Segment Financial Information
In millions

	Retail	Employer Group	Health and Well-Being Services	Other Businesses	Eliminations/ Corporate	Consolidated
Revenues - external customers						
Premiums:						
Medicare Advantage	$ 15,604	$ 3,059	$ -	$ -	$ -	$ 18,663
Medicare stand-alone PDP	1,967	6	-	203	-	2,176
Total Medicare	17,571	3,065	-	203	-	20,839
Fully-insured	749	3,745	-	-	-	4,494
Specialty	125	793	-	-	-	918
Military services	-	-	-	1,006	-	1,006
Medicaid and other (A)	-	-	-	772	-	772
Total premiums	18,445	7,603	-	1,981	-	28,029
Services revenue:						
Provider	-	-	749	-	-	749
ASO and other (B)	17	266	-	208	-	491
Pharmacy	-	-	11	-	-	11
Total services revenue	17	266	760	208	-	1,251
Total revenues - external customers	18,462	7,869	760	2,189	-	29,280
Intersegment revenues						
Services	2	11	7,187	-	(7,200)	-
Products	-	-	1,777	-	(1,777)	-
Total intersegment revenues	2	11	8,964	-	(8,977)	-
Investment income	58	31	-	43	157	289
Total revenues	18,522	7,911	9,724	2,232	(8,820)	29,569
Operating expenses:						
Benefits	15,609	6,316	-	1,844	(300)	23,469
Operating costs	1,911	1,257	9,246	364	(8,603)	4,175
Depreciation and amortization	96	60	67	12	(17)	218
Total operating expenses	17,616	7,633	9,313	2,220	(8,920)	27,862
Income from operations	906	278	411	12	100	1,707
Interest expense	-	-	-	-	78	78
Income before income taxes	$ 906	$ 278	$ 411	$ 12	$ 22	$ 1,629
Benefit ratio	84.6%	83.1%		93.1%		83.7%
Operating cost ratio (C)	10.3%	16.0%	95.1%	16.6%		14.3%

Humana Inc.
YTD11 Segment Financial Information
In millions

	Retail	Employer Group	Health and Well-Being Services	Other Businesses	Eliminations/ Corporate	Consolidated
Revenues - external customers						
Premiums:						
Medicare Advantage	$ 13,646	$ 2,363	$ -	$ -	$ -	$ 16,009
Medicare stand-alone PDP	1,737	6	-	196	-	1,939
Total Medicare	15,383	2,369	-	196	-	17,948
Fully-insured	628	3,601	-	-	-	4,229
Specialty	89	698	-	-	-	787
Military services	-	-	-	2,802	-	2,802
Medicaid and other (A)	-	-	-	702	-	702
Total premiums	16,100	6,668	-	3,700	-	26,468
Services revenue:						
Provider	-	-	670	-	-	670
ASO and other (B)	12	269	-	76	-	357
Pharmacy	-	-	8	-	-	8
Total services revenue	12	269	678	76	-	1,035
Total revenues - external customers	16,112	6,937	678	3,776	-	27,503
Intersegment revenues						
Services	-	10	6,325	-	(6,335)	-
Products	-	-	1,330	-	(1,330)	-
Total intersegment revenues	-	10	7,655	-	(7,665)	-
Investment income	57	36	-	40	140	273
Total revenues	16,169	6,983	8,333	3,816	(7,525)	27,776
Operating expenses:						
Benefits	13,193	5,409	-	3,375	(216)	21,761
Operating costs	1,626	1,217	8,004	351	(7,388)	3,810
Depreciation and amortization	89	64	61	7	(20)	201
Total operating expenses	14,908	6,690	8,065	3,733	(7,624)	25,772
Income from operations	1,261	293	268	83	99	2,004
Interest expense	-	-	-	-	82	82
Income before income taxes	$ 1,261	$ 293	$ 268	$ 83	$ 17	$ 1,922
Benefit ratio	81.9%	81.1%		91.2%		82.2%
Operating cost ratio (C)	10.1%	17.5%	96.1%	9.3%		13.9%

Humana Inc.
Consolidated Balance Sheets
Dollars in millions, except share amounts

	September 30, 2012	December 31, 2011	Sequential Change Dollar	Sequential Change Percent
Assets				
Current assets:				
Cash and cash equivalents	$ 1,363	$ 1,377		
Investment securities	8,058	7,743		
Receivables, net	642	1,034		
Other	1,615	1,027		
Total current assets	11,678	11,181	$ 497	4.4%
Property and equipment, net	1,034	912		
Long-term investment securities	1,837	1,710		
Goodwill	2,962	2,740		
Other	1,286	1,165		
Total assets	18,797	17,708	$ 1,089	6.1%
Liabilities and Stockholders' Equity				
Current liabilities:				
Benefits payable	3,958	3,754		
Trade accounts payable and accrued expenses	1,962	1,783		
Book overdraft	277	306		
Unearned revenues	172	213		
Total current liabilities	6,369	6,056	$ 313	5.2%
Long-term debt	1,616	1,659		
Future policy benefits payable	1,851	1,663		
Other long-term liabilities	270	267		
Total liabilities	10,106	9,645	$ 461	4.8%
Commitments and contingencies				
Stockholders' equity:				
Preferred stock, $1 par; 10,000,000 shares authorized, none issued	-	-		
Common stock, $0.16 2/3 par; 300,000,000 shares authorized; 194,285,994 issued at September 30, 2012	32	32		
Capital in excess of par value	2,079	1,938		
Retained earnings	7,731	6,825		
Accumulated other comprehensive income	397	303		
Treasury stock, at cost, 36,062,239 shares at September 30, 2012	(1,548)	(1,035)		
Total stockholders' equity	8,691	8,063	$ 628	7.8%
Total liabilities and stockholders' equity	$ 18,797	$ 17,708	$ 1,089	6.1%
Debt-to-total capitalization ratio	15.7%	17.1%		

Humana Inc.
Consolidated Statements of Cash Flows
Dollars in millions

	Three Months Ended September 30,			
	2012	2011	Dollar Change	Percentage Change
Cash flows from operating activities				
Net income	**$ 426**	$ 445		
Adjustments to reconcile net income to net cash (used in) provided by operating activities:				
Depreciation and amortization	**78**	74		
Net realized capital gains	**(6)**	(2)		
Stock-based compensation	**14**	12		
Provision for (benefit from) deferred income taxes	**3**	(9)		
Changes in operating assets and liabilities excluding the effects of acquisitions:				
Receivables	**259**	510		
Other assets	**14**	(30)		
Benefits payable	**(39)**	(85)		
Other liabilities	**70**	190		
Unearned revenues	**(2,172)**	1,800		
Other	**19**	14		
Net cash (used in) provided by operating activities	**(1,334)**	2,919	($4,253)	-145.7%
Cash flows from investing activities				
Acquisitions, net of cash acquired	**(212)**	(3)		
Purchases of property and equipment	**(119)**	(87)		
Purchases of investment securities	**(802)**	(765)		
Proceeds from maturities of investment securities	**354**	378		
Proceeds from sales of investment securities	**365**	193		
Net cash used in investing activities	**(414)**	(284)	($130)	-45.8%
Cash flows from financing activities				
Receipts (withdrawals) from contract deposits, net	**(499)**	37		
Change in book overdraft	**17**	82		
Common stock repurchases	**(235)**	(240)		
Excess tax benefit from stock-based compensation	**-**	1		
Dividends paid	**(42)**	(41)		
Proceeds from stock option exercises and other	**1**	(23)		
Net cash used in financing activities	**(758)**	(184)	($574)	-312.0%
(Decrease) increase in cash and cash equivalents	**(2,506)**	2,451		
Cash and cash equivalents at beginning of period	**3,869**	1,568		
Cash and cash equivalents at end of period	**$ 1,363**	$ 4,019		

Humana Inc.

Consolidated Statements of Cash Flows

Dollars in millions

	Nine Months Ended September 30, 2012	2011	Dollar Change	Percentage Change
Cash flows from operating activities				
Net income	**$ 1,030**	$ 1,220		
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	**238**	225		
Net realized capital gains	**(20)**	(7)		
Stock-based compensation	**68**	53		
(Benefit from) provision for deferred income taxes	**(6)**	12		
Changes in operating assets and liabilities excluding the effects of acquisitions:				
Receivables	**436**	(77)		
Other assets	**(236)**	(205)		
Benefits payable	**131**	399		
Other liabilities	**121**	392		
Unearned revenues	**(95)**	1,820		
Other	**51**	44		
Net cash provided by operating activities	**1,718**	3,876	($2,158)	-55.7%
Cash flows from investing activities				
Acquisitions, net of cash acquired	**(288)**	(14)		
Purchases of property and equipment	**(304)**	(216)		
Purchases of investment securities	**(2,166)**	(2,667)		
Proceeds from maturities of investment securities	**1,111**	1,129		
Proceeds from sales of investment securities	**894**	625		
Net cash used in investing activities	**(753)**	(1,143)	$ 390	34.1%
Cash flows from financing activities				
Receipts (withdrawals) from contract deposits, net	**(347)**	225		
Repayment of long-term debt	**(36)**	-		
Change in book overdraft	**(29)**	(110)		
Common stock repurchases	**(513)**	(541)		
Excess tax benefit from stock-based compensation	**21**	12		
Dividends paid	**(124)**	(41)		
Proceeds from stock option exercises and other	**49**	68		
Net cash used in financing activities	**(979)**	(387)	($592)	-153.0%
(Decrease) increase in cash and cash equivalents	**(14)**	2,346		
Cash and cash equivalents at beginning of period	**1,377**	1,673		
Cash and cash equivalents at end of period	**$ 1,363**	$ 4,019		

Humana Inc.

Key Income Statement Ratios and Segment Operating Results

Dollars in millions

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012	2011	Difference	Percentage Change	**2012**	2011	Difference	Percentage Change
Benefit ratio								
Retail	**82.3%**	78.7%	3.6%		**84.6%**	81.9%	2.7%	
Employer Group	**85.3%**	83.5%	1.8%		**83.1%**	81.1%	2.0%	
Other Businesses	**83.4%**	91.0%	-7.6%		**93.1%**	91.2%	1.9%	
Consolidated	**82.2%**	80.7%	1.5%		**83.7%**	82.2%	1.5%	
Operating cost ratio (C)								
Retail	**10.7%**	11.2%	-0.5%		**10.3%**	10.1%	0.2%	
Employer Group	**15.6%**	17.5%	-1.9%		**16.0%**	17.5%	-1.5%	
Health and Well-Being Services	**94.6%**	96.3%	-1.7%		**95.1%**	96.1%	-1.0%	
Other Businesses	**25.2%**	9.6%	15.6%		**16.6%**	9.3%	7.3%	
Consolidated	**14.7%**	14.8%	-0.1%		**14.3%**	13.9%	0.4%	
Detail of pretax income								
Retail	**$424**	$541	($117)	-21.6%	**$906**	$1,261	($355)	-28.2%
Employer Group	**$43**	$46	($3)	-6.5%	**$278**	$293	($15)	-5.1%
Health and Well-Being Services	**$148**	$83	$65	78.3%	**$411**	$268	$143	53.4%
Other Businesses	**$50**	$29	$21	72.4%	**$12**	$83	($71)	-85.5%
Consolidated	**$675**	$699	($24)	-3.4%	**$1,629**	$1,922	($293)	-15.2%

Humana Inc.
Pharmacy Metrics
Script volume in thousands

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012	2011	Difference		**2012**	2011	Difference	
Generic Dispense Rate								
Retail								
Mail-Order	**89.9%**	87.2%	2.7%		**88.9%**	86.5%	2.4%	
90-Day Retail	**87.7%**	83.7%	4.0%		**86.7%**	83.2%	3.5%	
All Other	**82.1%**	77.7%	4.4%		**80.5%**	77.4%	3.1%	
Total	**85.3%**	81.1%	4.2%		**84.0%**	80.6%	3.4%	
Employer Group								
Mail-order	**76.4%**	68.5%	7.9%		**74.4%**	67.6%	6.8%	
90-Day Retail	**83.1%**	77.0%	6.1%		**81.9%**	76.3%	5.6%	
All Other	**74.7%**	69.5%	5.2%		**73.3%**	69.4%	3.9%	
Total Employer Group	**77.2%**	71.1%	6.1%		**75.6%**	70.7%	4.9%	
			Difference	Percentage Change			Difference	Percentage Change
Script volume								
Retail								
Mail-order	**12,431**	9,931	2,500	25.2%	**36,795**	27,677	9,118	32.9%
90-Day Retail	**13,400**	10,856	2,544	23.4%	**38,457**	31,384	7,073	22.5%
All Other	**27,300**	25,313	1,987	7.8%	**82,320**	75,720	6,600	8.7%
Total Retail	**53,131**	46,100	7,031	15.3%	**157,572**	134,781	22,791	16.9%
Employer Group								
Mail-order	**1,045**	966	79	8.2%	**3,034**	2,893	141	4.9%
90-Day Retail	**1,865**	1,445	420	29.1%	**4,904**	4,186	718	17.2%
All Other	**4,013**	3,744	269	7.2%	**11,561**	11,562	(1)	0.0%
Total Employer Group	**6,923**	6,155	768	12.5%	**19,499**	18,641	858	4.6%
Total Retail and Employer Group	**60,054**	52,255	7,799	14.9%	**177,071**	153,422	23,649	15.4%

Humana Inc.
Membership Detail
In thousands

	Ending September 30, 2012	Average 2Q12	Ending September 30, 2011	Year-over-year Change Amount	Year-over-year Change Percent	Ending December 31, 2011	Sequential Change Amount	Sequential Change Percent
Medical Membership:								
Retail								
Medicare Advantage	**1,911.8**	**1,907.2**	1,613.4	298.4	18.5%	1,640.3	271.5	16.6%
Medicare stand-alone PDPs	**2,947.2**	**2,929.8**	2,478.1	469.1	18.9%	2,540.4	406.8	16.0%
Individual commercial	**443.4**	**443.5**	424.0	19.4	4.6%	433.6	9.8	2.3%
Medicare Supplement	**75.2**	**74.0**	56.7	18.5	32.6%	59.6	15.6	26.2%
Total Retail	**5,377.6**	**5,354.5**	4,572.2	805.4	17.6%	4,673.9	703.7	15.1%
Employer Group								
Medicare Advantage	**367.9**	**366.9**	287.9	80.0	27.8%	290.6	77.3	26.6%
Medicare Advantage ASO	**27.8**	**27.8**	27.6	0.2	0.7%	27.6	0.2	0.7%
Medicare stand-alone PDPs	**4.4**	**4.4**	4.2	0.2	4.8%	4.2	0.2	4.8%
Fully-insured medical commercial	**1,204.5**	**1,203.0**	1,181.3	23.2	2.0%	1,180.2	24.3	2.1%
ASO commercial	**1,231.1**	**1,231.7**	1,287.0	(55.9)	-4.3%	1,292.3	(61.2)	-4.7%
Total Employer Group	**2,835.7**	**2,833.8**	2,788.0	47.7	1.7%	2,794.9	40.8	1.5%
Other Businesses								
Military Services	**3,124.6**	**3,120.1**	3,025.9	98.7	3.3%	3,028.1	96.5	3.2%
Medicaid and other	**607.1**	**606.2**	621.5	(14.4)	-2.3%	614.2	(7.1)	-1.2%
LI-NET (D)	**73.9**	**73.5**	74.6	(0.7)	-0.9%	73.5	0.4	0.5%
Total Other Businesses	**3,805.6**	**3,799.8**	3,722.0	83.6	2.2%	3,715.8	89.8	2.4%
Total Medical Membership	**12,018.9**	**11,988.1**	11,082.2	936.7	8.5%	11,184.6	834.3	7.5%
Specialty Membership:								
Retail								
Dental - fully-insured	**685.3**	**675.4**	564.7	120.6	21.4%	579.6	105.7	18.2%
Vision	**113.8**	**110.0**	79.3	34.5	43.5%	83.8	30.0	35.8%
Other supplemental benefits (E)	**141.7**	**141.5**	111.6	30.1	27.0%	119.1	22.6	19.0%
Total Retail	**940.8**	**926.9**	755.6	185.2	24.5%	782.5	158.3	20.2%
Employer Group								
Dental - fully-insured	**2,431.0**	**2,426.9**	2,259.5	171.5	7.6%	2,283.9	147.1	6.4%
Dental - ASO	**863.1**	**854.5**	876.9	(13.8)	-1.6%	869.9	(6.8)	-0.8%
Vision	**2,515.5**	**2,496.6**	2,272.8	242.7	10.7%	2,329.6	185.9	8.0%
Other supplemental benefits (E)	**1,279.0**	**1,270.0**	1,010.1	268.9	26.6%	1,049.2	229.8	21.9%
Total Employer Group	**7,088.6**	**7,048.0**	6,419.3	669.3	10.4%	6,532.6	556.0	8.5%
Total Specialty Membership	**8,029.4**	**7,974.9**	7,174.9	854.5	11.9%	7,315.1	714.3	9.8%

Humana Inc.
Premiums and Services Revenue Detail
Dollars in millions, except per member per month

	Three Months Ended September 30,				Per Member per Month (F) Three Months Ended September 30,	
	2012	2011	Dollar Change	Percentage Change	**2012**	2011
Premiums and Services Revenue						
Retail:						
Medicare Advantage	$ **5,203**	$ **4,566**	$ 637	14.0%	**$909**	$945
Medicare stand-alone PDPs	**635**	**579**	56	9.7%	**$72**	$79
Individual commercial	**219**	**194**	25	12.9%	**$165**	$155
Medicare Supplemental	**36**	**27**	9	33.3%	**$162**	$162
Specialty	**45**	**33**	12	36.4%	**$16**	$15
ASO & other services (B)	**7**	**5**	2	40.0%		
Total Retail	**6,145**	**5,404**	741	13.7%		
Employer Group:						
Medicare Advantage	**1,023**	**803**	220	27.4%	**$929**	$933
Medicare stand-alone PDPs	**2**	**2**	-	0.0%		
Fully-insured medical commercial	**1,256**	**1,185**	71	6.0%	**$348**	$335
Specialty	**271**	**235**	36	15.3%	**$15**	$14
ASO & other services (B)	**91**	**93**	(2)	-2.2%		
Total Employer Group	**2,643**	**2,318**	325	14.0%		
Health and Well-Being Services:						
Pharmacy solutions	**2,770**	**2,484**	286	11.5%		
Primary care services	**311**	**277**	34	12.3%		
Home care services	**62**	**21**	41	195.2%		
Integrated wellness services	**57**	**45**	12	26.7%		
Total Health and Well-Being Services	**3,200**	**2,827**	373	13.2%		
Other Businesses:						
Military services (G)	**155**	**968**	(813)	-84.0%	**$13**	$181
LI-NET (D)	**64**	**43**	21	48.8%	**$290**	$190
Medicaid and other (H)	**278**	**243**	35	14.4%	**$146**	$130
Total Other Businesses	**497**	**1,254**	(757)	-60.4%		

Humana Inc.
Premiums and Services Revenue Detail
Dollars in millions, except per member per month

	Nine Months Ended September 30,				Per Member per Month (F) Nine Months Ended September 30,	
	2012	2011	Dollar Change	Percentage Change	**2012**	2011
Premiums and Services Revenue						
Retail:						
Medicare Advantage	**$ 15,604**	**$ 13,646**	$ 1,958	14.3%	**$923**	$947
Medicare stand-alone PDPs	**1,967**	**1,737**	230	13.2%	**$76**	$81
Individual commercial	**645**	**552**	93	16.8%	**$162**	$155
Medicare Supplemental	**104**	**76**	28	36.8%	**$165**	$162
Specialty	**125**	**89**	36	40.4%	**$16**	$15
ASO & other services (B)	**19**	**12**	7	58.3%		
Total Retail	**18,464**	**16,112**	2,352	14.6%		
Employer Group:						
Medicare Advantage	**3,059**	**2,363**	696	29.5%	**$941**	$929
Medicare stand-alone PDPs	**6**	**6**	-	0.0%		
Fully-insured medical commercial	**3,745**	**3,601**	144	4.0%	**$349**	$339
Specialty	**793**	**698**	95	13.6%	**$14**	$14
ASO & other services (B)	**277**	**279**	(2)	-0.7%		
Total Employer Group	**7,880**	**6,947**	933	13.4%		
Health and Well-Being Services:						
Pharmacy solutions	**8,536**	**7,347**	1,189	16.2%		
Primary care services	**884**	**797**	87	10.9%		
Home care services	**140**	**55**	85	154.5%		
Integrated wellness services	**164**	**134**	30	22.4%		
Total Health and Well-Being Services	**9,724**	**8,333**	1,391	16.7%		
Other Businesses:						
Military services (G)	**1,191**	**2,869**	(1,678)	-58.5%	**$64**	$179
LI-NET (D)	**203**	**196**	7	3.6%	**$305**	$244
Medicaid and other (H)	**795**	**711**	84	11.8%	**$142**	$126
Total Other Businesses	**2,189**	**3,776**	(1,587)	-42.0%		

Humana Inc.
Medicare Summary
Premiums in millions
Membership in thousands

	Three Months Ended September 30,		Year-over-year Change		Per Member per Month (F) Three Months Ended September 30,	
	2012	2011	Amount	Percent	**2012**	2011
Premiums						
Medicare Advantage	**$ 6,226**	$ 5,369	$ 857	16.0%	**$913**	$943
Medicare stand-alone PDPs	**701**	624	77	12.3%	**$78**	$82
Total Medicare	**$ 6,927**	$ 5,993	$ 934	15.6%		

	Nine Months Ended September 30,		Year-over-year Change		Per Member per Month (F) Nine Months Ended September 30,	
	2012	2011	Amount	Percent	**2012**	2011
Premiums						
Medicare Advantage	**$ 18,663**	$ 16,009	$ 2,654	16.6%	**$926**	**$944**
Medicare stand-alone PDPs	**2,176**	1,939	237	12.2%	**$82**	**$87**
Total Medicare	**$ 20,839**	$ 17,948	$ 2,891	16.1%		

	Ending September 30, 2012	Ending September 30, 2011	Year-over-year Change Amount	Year-over-year Change Percent
Fully-Insured Membership				
Medicare Advantage	**2,279.7**	1,901.3	378.4	19.9%
Medicare stand-alone PDPs	**3,025.5**	2,556.9	468.6	18.3%
Total Medicare	**5,305.2**	4,458.2	847.0	19.0%

Humana Inc.
Investments
Dollars in millions

	Fair value		
	9/30/2012	6/30/2012	12/31/2011
Investment Portfolio:			
Cash & cash equivalents	**$1,363**	$3,869	$1,377
Investment securities	**8,058**	7,882	7,743
Long-term investments	**1,837**	1,783	1,710
Total investment portfolio	**$11,258**	$13,534	$10,830
Duration (I)	**3.89**	3.24	3.94
Average Credit Rating	**AA-**	AA-	AA-
Investment Portfolio Detail:			
Cash and cash equivalents	**$1,363**	$3,869	$1,377
U.S. Government and agency obligations			
U.S. Treasury and agency obligations	**563**	553	725
U.S. Government residential mortgage-backed	**1,908**	1,921	1,751
U.S. Government commercial mortgage-backed	**34**	34	33
Total U.S. Government and agency obligations	**2,505**	2,508	2,509
Tax-exempt municipal securities			
Pre-refunded	**286**	294	332
Insured	**618**	631	634
Other	**1,961**	1,946	1,874
Auction rate securities	**13**	15	16
Total tax-exempt municipal securities	**2,878**	2,886	2,856
Residential mortgage-backed			
Prime residential mortgages	**34**	36	41
Alt-A residential mortgages	**1**	1	2
Sub-prime residential mortgages	**1**	1	1
Total residential mortgage-backed	**36**	38	44
Commercial mortgage-backed	**658**	448	381
Asset-backed securities	**37**	44	83
Corporate securities			
Financial services	**853**	818	692
Other	**2,928**	2,923	2,888
Total corporate securities	**3,781**	3,741	3,580
Total investment portfolio	**$11,258**	$13,534	$10,830

Humana Inc.
Detail of Benefits Payable Balance and Year-to-Date Changes
Dollars in millions

	September 30, 2012	September 30, 2011	December 31, 2011
Detail of benefits payable			
IBNR and other benefits payable (J)	**$3,097**	$2,742	$2,759
Unprocessed claim inventories (K)	**380**	419	280
Processed claim inventories (L)	**339**	174	209
Payable to pharmacy benefit administrator (M)	**127**	157	167
Benefits payable, excluding military services	**3,943**	3,492	3,415
Military services benefits payable (N)	**15**	376	339
Total Benefits Payable	**$3,958**	$3,868	$3,754

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Year Ended December 31, 2011
Year-to-date changes in benefits payable, excluding military services (O)			
Balances at January 1	**$3,415**	$3,214	$3,214
Acquisitions	**73**	-	29
Incurred related to:			
Current year	**22,606**	19,476	25,821
Prior years (P)	**(235)**	(318)	(372)
Total incurred	**22,371**	19,158	25,449
Paid related to:			
Current year	**(19,091)**	(16,301)	(22,729)
Prior years	**(2,825)**	(2,579)	(2,548)
Total paid	**(21,916)**	(18,880)	(25,277)
Balances at end of period	**$3,943**	$3,492	$3,415

	Nine Months Ended September 30, 2012	Nine Months Ended September 30, 2011	Year Ended December 31, 2011
Summary of Consolidated Benefit Expense:			
Total benefit expense incurred, per above	**$22,371**	$19,158	$25,449
Military services benefit expense	**908**	2,512	3,247
Future policy benefit expense (Q)	**190**	91	127
Consolidated Benefit Expense	**$23,469**	$21,761	$28,823

Humana Inc.
Benefits Payable Statistics (R)

Receipt Cycle Time (S)

	2012	2011	Change	Percentage Change
1st Quarter Average	**13.0**	13.8	(0.8)	-5.8%
2nd Quarter Average	**13.7**	13.8	(0.1)	-0.7%
3rd Quarter Average	**13.0**	13.6	(0.6)	-4.4%
4th Quarter Average		14.0	n/a	n/a
Full Year Average	**13.2**	13.8		

Unprocessed Claims Inventories

Date	Estimated Valuation (millions)	Claim Item Counts (000s)	Number of Days on Hand
9/30/2010	$429	1,064	5.2
12/31/2010	$374	981	5.0
3/31/2011	$482	1,197	6.0
6/30/2011	$410	1,093	5.1
9/30/2011	$419	1,272	5.7
12/31/2011	$280	599	2.8
3/31/2012	$376	1,028	4.2
6/30/2012	$310	1,077	4.2
9/30/2012	**$380**	**1,440**	**5.7**

Days in Claims Payable (T)

Quarter Ended	Days in Claims Payable (DCP)	Change Last 4 Quarters	Percentage Change
9/30/2010	57.8	1.6	2.8%
12/31/2010	53.5	(1.9)	-3.4%
3/31/2011	55.5	1.3	2.4%
6/30/2011	56.0	(1.0)	-1.8%
9/30/2011	54.2	(3.6)	-6.2%
12/31/2011	52.5	(1.0)	-1.9%
3/31/2012	50.1	(5.4)	-9.7%
6/30/2012	51.0	(5.0)	-8.9%
9/30/2012	**51.6**	**(2.6)**	**-4.8%**

Year-to-Date Change in Days in Claims Payable (U)

	2012	2011
DCP - beginning of period	**52.5**	53.5
Components of change in DCP:		
Change in unprocessed claims inventories	**1.0**	(2.3)
Change in processed claims inventories	**1.7**	1.4
Change in pharmacy payment cutoff	**(0.4)**	0.6
Change in capitation/provider settlements	**(3.3)**	(0.7)
All other	**0.1**	
DCP - end of period	**51.6**	52.5

(A) The Medicaid and other category includes the company’s Medicaid business as well as the closed block of long-term care.

(B) The ASO and other category is primarily comprised of ASO fees and other ancillary services fees.

(C) The operating cost ratio is defined as operating costs as a percent of total revenues excluding investment income.

(D) LI-NET is the CMS Limited Income Newly Eligible Transition program, operated by Humana, to provide Part D prescription drug coverage for all uncovered Full Duals and SSI-only beneficiaries on a retroactive basis and all uncovered LIS eligible beneficiaries on a current basis.

(E) Other supplemental benefits include life, disability, and fixed benefit products including cancer and critical illness policies.

(F) Computed based on average membership for the period (i.e., monthly ending membership during the period divided by the number of months in the period).

(G) Military services revenues are generally not contracted on a per-member basis.

(H) Includes premiums associated with Medicaid and the closed block of long-term care as well as services revenue.

(I) Duration is the time-weighted average of the present value of the fixed income portfolio cash flows.

(J) IBNR represents an estimate of benefit expenses payable for claims incurred but not reported (IBNR) at the balance sheet date. The level of IBNR is primarily impacted by membership levels, benefit claim trends and the receipt cycle time, which represents the length of time between when a claim is initially incurred and when the claim form is received (i.e. a shorter time span results in lower reserves for claims IBNR). Other benefits payable includes amounts payable to providers under capitation arrangements.

(K) Unprocessed claim inventories represent the estimated valuation of claims received but not yet fully processed.

(L) Processed claim inventories represent the estimated valuation of processed claims that are in the post-claim-adjudication process, which consists of operating functions such as audit and check batching and handling.

(M) The balance due to the company's pharmacy benefit administrator fluctuates as a result of the number of business days in the last payment cycle of the month. Payment cycles are every 8 days (8^{th}, 16^{th}, and 24th of month) and the last day of the month.

(N) Military services benefits payable primarily consist of IBNR and to a lesser extent risk share payables to the Department of Defense and liabilities to subcontractors.

(O) The table excludes activity associated with military services benefits payable because the federal government bears a substantial portion of the risk associated with financing the cost of health benefits. More specifically, the risk-sharing provisions of the military services contracts with the federal government and with subcontractors effectively limit profits and losses when actual claim experience varies from the targeted claim amount negotiated annually. As a result of these contract provisions, the impact of changes in estimates for prior year military services benefits payable are substantially offset by the associated changes in estimates of revenue from health care services reimbursements. As such, any impact on the company's results of operations is reduced substantially, whether positive or negative.

(P) Amounts incurred related to prior years vary from previously estimated liabilities as the claims ultimately are settled. Negative amounts reported for incurred related to prior years result from claims being ultimately settled for amounts less than originally estimated (favorable development). There were no changes in the approach used to determine the company's estimate of medical claim reserves during the quarter.

(Q) Future policy benefit expense has a related liability classified as a long-term liability on the balance sheet.

(R) Benefits reserves statistics represents fully-insured medical claims data and excludes military services claims data and specialty benefits.

(S) The receipt cycle time measures the average length of time between when a claim was initially incurred and when the claim form was received. Receipt cycle time data for the company's largest claim processing platforms represent approximately 93% of the company's fully-insured medical claims volume. Pharmacy and specialty claims, including dental, vision and other supplemental benefits, are excluded from this measurement.

(T) A common metric for monitoring benefits payable levels relative to the benefit expense is days in claims payable, or DCP, which represents the benefits payable at the end of the period divided by average benefit expenses per day in the quarterly period.

(U) DCP fluctuates due to a number of issues, the more significant of which are detailed in this rollforward. Growth in certain product lines can also impact DCP for the quarter since a provision for claims would not have been recorded for members that had not yet enrolled earlier in the quarter, yet those members would have a provision and corresponding medical claims reserve recorded upon enrollment later in the quarter. This analysis excludes the impact of military services and Medicare stand-alone PDPs upon DCP.

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