

**European Investor
Meetings
Sponsored by Citi**

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Humana[®]



Cautionary statement

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

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

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

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

Humana is a leading insurer and healthcare services provider, with a focus on seniors

Insurance Services



- **Leading position in Medicare Advantage (MA) and Part D**
 - 3.3 million¹ MA members
 - 5.3 million² stand-alone Prescription Drug Plan (PDP) members
- **One of the leading service providers to the military through TRICARE contract**
 - Approximately 6 million³ members
- **1.5 million⁴ commercial group members**

Healthcare Services

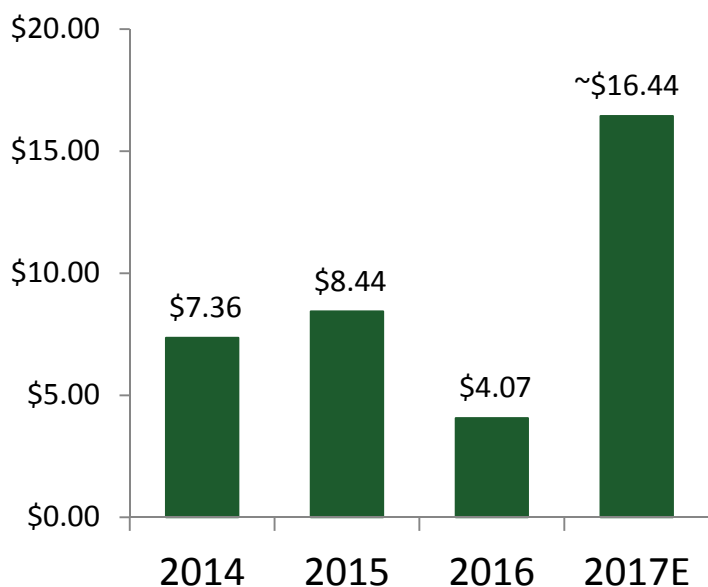


- **Humana At Home** – over 800,000 members⁵ enrolled
- **Humana Pharmacy** – 4th largest PBM⁶/mail order services
- **Primary Care Clinics** –195 owned, JV and alliance clinics across 27 markets.
- **Integrated Clinical & Consumer Analytics platform**

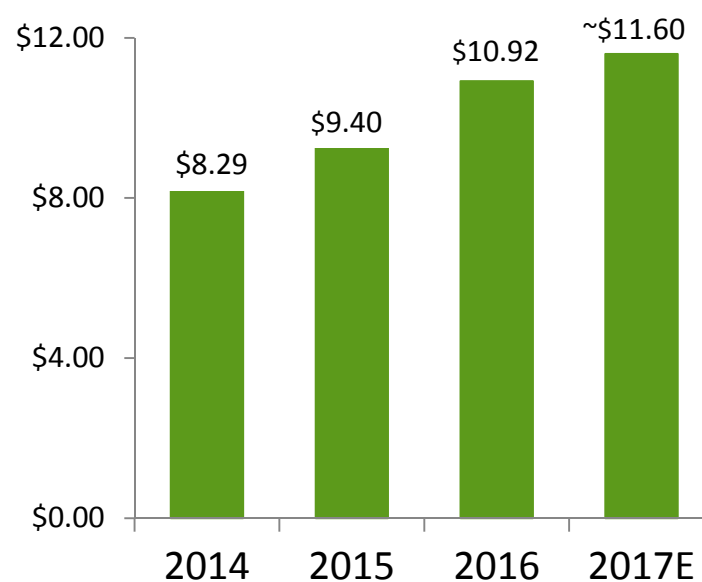
1. As of 12/31/17 per 1-8-18 Form 8-K; includes Group & Individual MA. 2. As of 12/31/17 per 1-8-18 Form 8-K; includes Individual, Group, and Limited-Income Newly Eligible Transition program (LI-NET) 3. As of 1/1/18 4. As of 9/30/17 5. As of 9/30/17. Includes Medicare Advantage and dual-eligible demonstration program members enrolled in one of Humana's chronic care programs. Members included in these programs may not be unique to each program since members have the ability to enroll in multiple programs. 6. Based on total prescription claims managed in 2016; Pembroke Consulting, Inc. and Drug Channels Institute 2017 Economic Report

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

GAAP



Adjusted (non-GAAP)
12% 3-Year CAGR

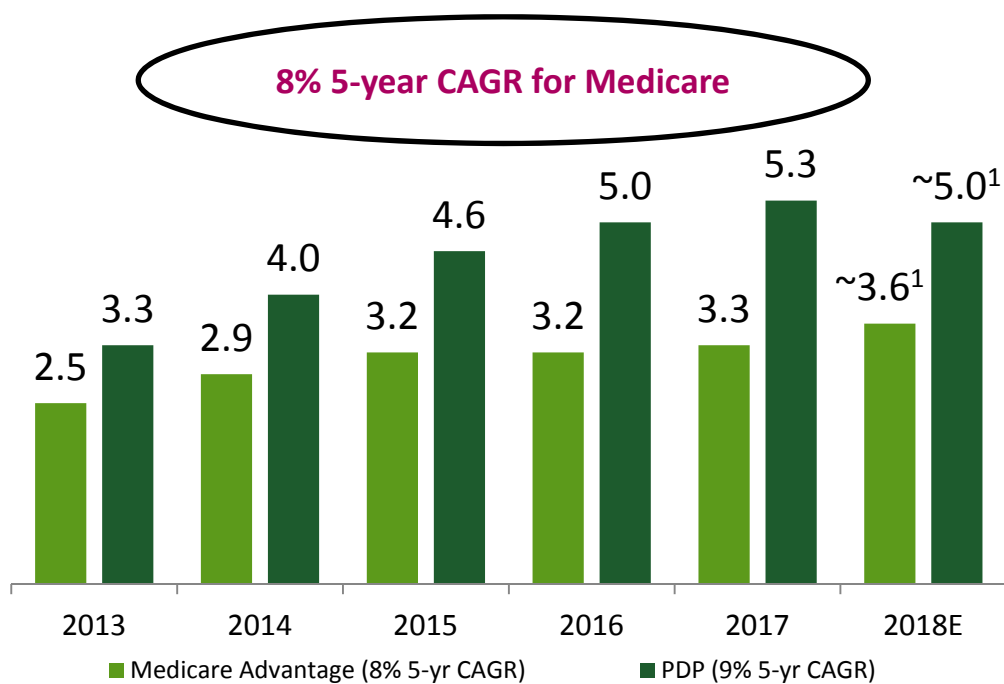


A reconciliation of GAAP to Adjusted EPS is included in the appendix to this slide presentation

The company has included financial measures in this presentation that are not in accordance with Generally Accepted Accounting Principles (GAAP). Management believes that these measures, when presented in conjunction with the comparable GAAP measures, are useful to both management and its investors in analyzing the company's ongoing business and operating performance. Consequently, management uses these non-GAAP financial measures as indicators of the company's 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. All financial measures in this presentation are in accordance with GAAP unless otherwise indicated.

Strong Medicare Advantage and PDP membership growth

Medicare Membership (in millions)

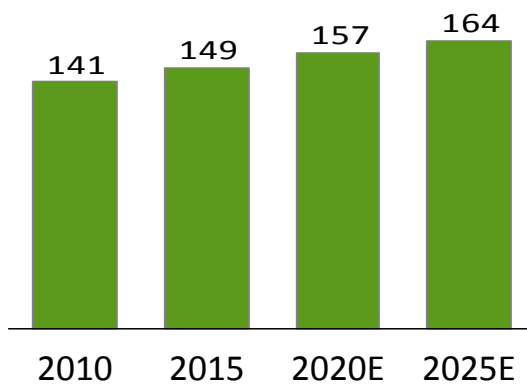


1. Using mid-point of guidance range per 1-8-18 Form 8-K

Rising healthcare costs are driven by an aging population and growing chronic disease prevalence

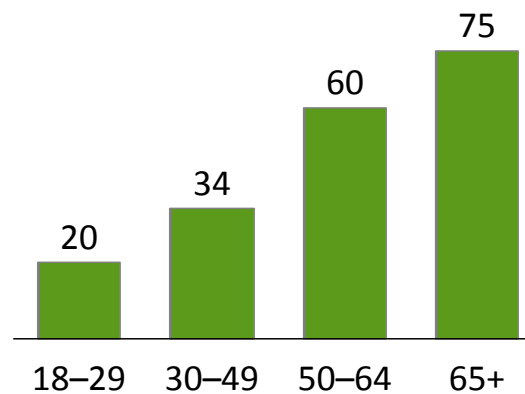
Population with chronic disease is growing...

of people in U.S. with at least one chronic disease (M)¹



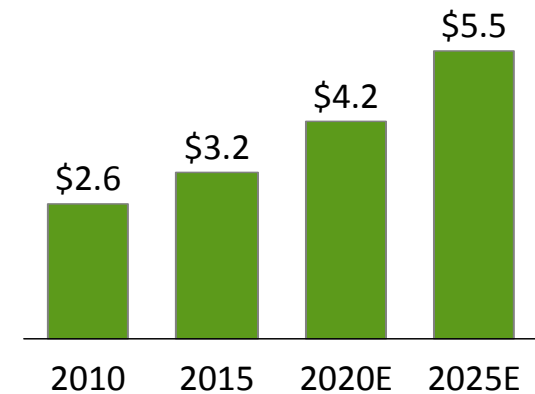
...especially among Medicare-eligible seniors...

% of people in U.S. with at least one chronic disease, by age group²



...pressuring sustainability and affordability

US National Health Expenditures (\$T)³



Chronic disease is a primary driver of increasing costs in the US healthcare system

1. Partnership to Fight Chronic Disease 2007 2. Pew Research 2013 3. Centers for Medicare and Medicaid Services (CMS) 2015

The current health care system is not suited to address the growing need for chronic care management



Incentives

Over 60% of traditional Medicare payments are still not tied to value or quality¹

Numerous barriers to chronic care management:

- Fee For Service (FFS) payments inherently episodic in nature
- Weak incentive for holistic and preventive care
- Limited quality-based payments



Structure

Fragmented information makes it challenging to integrate the holistic health journey

Management of lifestyle activities is not easily integrated with the healthcare delivery system

Siloed nature of industry causes significant complexity for providers and frustration for consumers



Capability

Most providers have little expertise in value-based care (VBC)

Maturity of technology is low due to siloed platforms and numerous barriers to implementation

Interoperability of technology is limited due to lack of standardization and misaligned incentives

1. CMS 2017, Numerof Population Health Survey Report, January 2017



Our Strategy

We strive to improve the health of **seniors living with chronic conditions** through an **Integrated Care Delivery** model that brings simplicity and connectivity to the healthcare experience

How we win

Partner with providers to evolve incentives from treating health episodically to **managing health holistically**

Provider joint ventures
Alliances
Owned clinics
MSO¹

Integrate clinical programs that intersect **healthcare and lifestyle** – *helping them at key moments of need*

Home health
Behavioral health
Pharmacy
Prevention

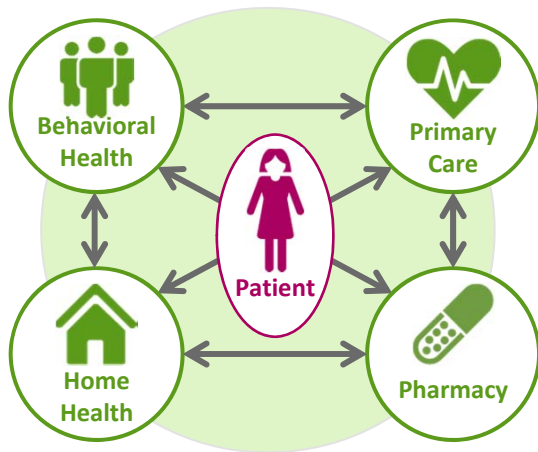
Simplify processes by **leveraging technology, consumer segmentation and analytics**

Advanced analytics
Provider-facing workflows
Consumer applications to reduce friction points

1. Management Services Organization

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

We will integrate with key service providers...



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

...Changing our relationship with consumers and providers...

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

...Unlocking sustainable long-term growth

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

We continued to advance our strategy in 2017

Provider Integration



- **195 Owned, JV, and Alliance centers** in 27 markets
- **Greenville Partners in Primary Care clinics demonstrating success** of model outside of FL
- **Opened 5 new clinics** in 2017, 4 in Kansas City and 1 in North Carolina
- **Consolidating and rightsizing** our owned provider assets under one brand with one management team

Clinical Model



- Announced acquisition of 40% of Kindred at Home **to expand reach into our member's home**
- Transformed Humana At Home into a more **personalized, event-driven monitoring program**, using predictive modeling and advanced analytics
- **Using scales to monitor and manage over 2,000 members daily care for Congestive Heart Failure (CHF)**

Simplified Experience

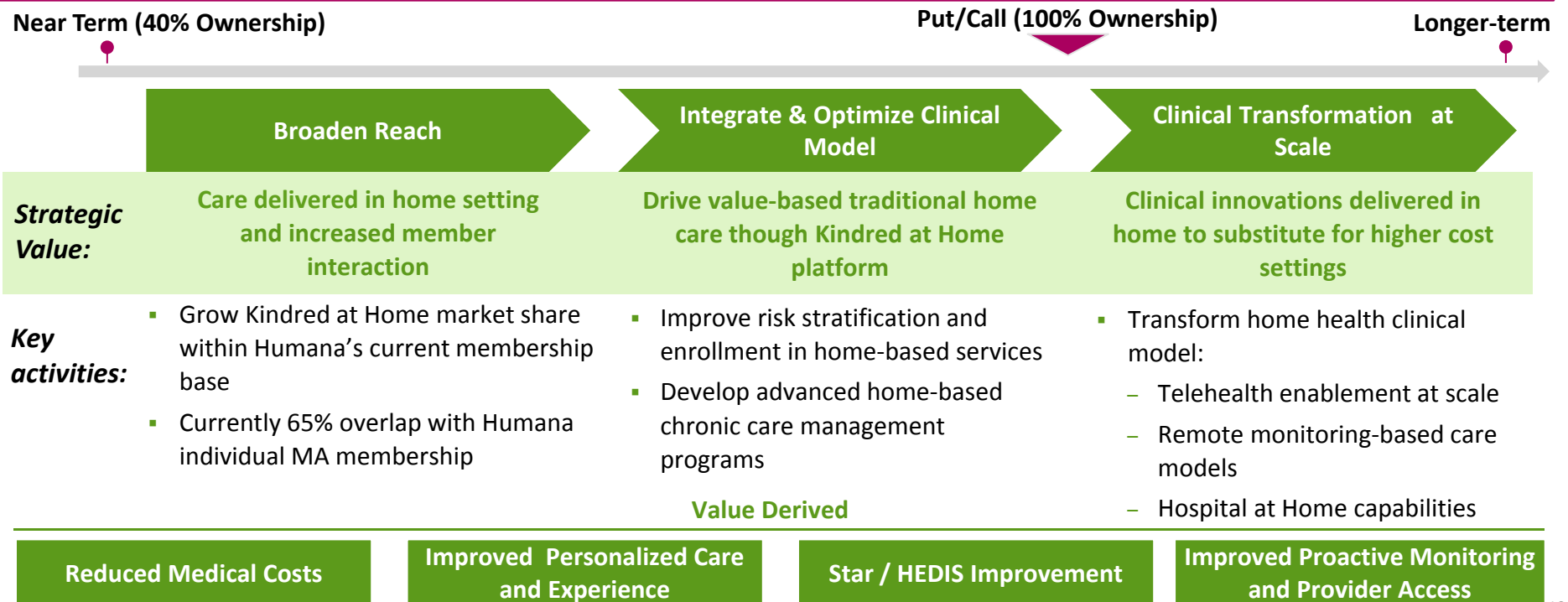


- Ranked **#1 national health insurer** in consumer experience in 2017 survey¹
- Launched **Transcend Insights population health platform** within our owned primary care assets
- **Customer Relationship Management platform**—360° view of customer, used by over 20,000 employees
- **Reduced call transfers** by 13%²
- **Improved relational National Promotor Score (NPS)** by 500 basis points and transactional NPS by 600 basis points

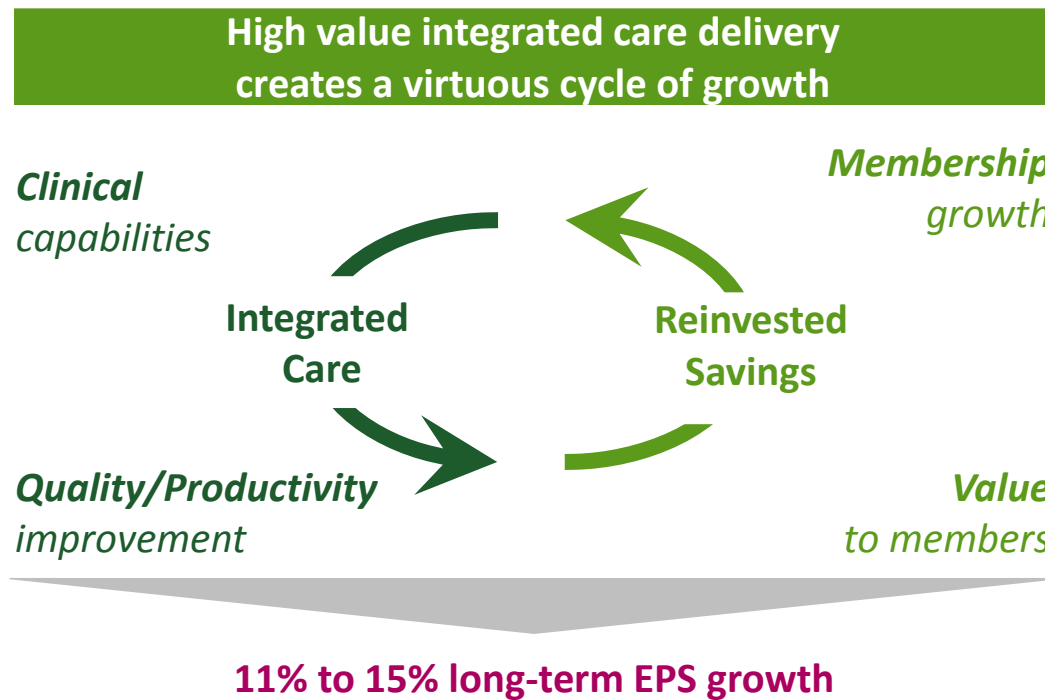
1. Temkin. #1 National player; Rated #2 overall 2. From November 2016 to November 2017

Kindred at Home transaction is integral to creating a transformative clinical model to serve our members in the home

Kindred at Home is the nation's largest home health provider and second largest hospice operator
10% of Humana individual MA members use home health = \$750M annual home health spend;
these members represent 32% of Humana's acute spend



Balanced approach of Integrated Care Delivery model drives superior long-term earnings



Appendix



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Reconciliations of GAAP to non-GAAP financial measures

Diluted earnings per common share (EPS)	2014	2015	2016	2017E
Generally Accepted Accounting Principles (GAAP)	\$7.36	\$8.44	\$4.07	~\$16.44
Adjustments (described below)	0.93	0.96	6.85	~(4.84)
Adjusted (non-GAAP) – recast as needed*	\$8.29	\$9.40	\$10.92	~\$11.60

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

- (~\$4.35) per diluted common share of net (gain) expenses associated with the terminated merger agreement, primarily the break-up fee.
- (~\$0.64) per diluted common share of projected operating earnings for the company's individual commercial medical (Individual Commercial) business given the company's planned exit on January 1, 2018.
- ~\$0.31 per diluted common share of amortization expense associated with identifiable intangibles.
- (~\$2.15) per diluted common share for the beneficial effect of a lower effective tax rate in light of pricing and benefit design assumptions associated with the 2017 temporary suspension of the non-deductible health insurance industry fee; excludes portion applicable to the company's Individual Commercial business.
- ~\$0.24 per diluted common share of guaranty fund assessment expense to support the policyholder obligations of Penn Treaty (an unaffiliated long-term care insurance company).
- ~\$0.57 per diluted common share associated with voluntary and involuntary workforce reduction programs.
- ~\$0.08 per diluted common share associated with costs related with the early retirement of debt in the fourth quarter of 2017.
- ~\$1.10 per diluted common share associated with the impact of re-measurement of deferred tax assets at lower corporate tax rates under Tax Reform Legislation

2016 Adjusted results exclude the following losses or expenses:

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

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

Reconciliation of GAAP to non-GAAP financial measures

continued

2015 Adjusted results exclude the following (income) losses or expenses :

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

2014 Adjusted results exclude the following operating losses or expenses:

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

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