

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

FOR ANNUAL REPORTS OF EMPLOYEE STOCK PURCHASE, SAVINGS
AND SIMILAR PLANS PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 1996

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934

Commission file number 1-5975

- A. Full title of plan: Humana Retirement and
Savings Plan
- B. Name of issuer of the securities held pursuant to the
plan and the address of its principal executive office:

Humana Inc.
500 West Main Street
Louisville, Kentucky 40202

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Retirement and Savings Plan Committee
Humana Inc.

We have audited the accompanying statement of net assets available for benefits of the Humana Retirement and Savings Plan (the "Plan") as of December 31, 1996 and 1995, and the related statement of changes in net assets available for benefits for the years ended December 31, 1996 and 1995. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 1996 and 1995, and the changes in net assets available for benefits for the years ended December 31, 1996 and 1995, in conformity with generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The

supplemental schedules listed on page 2 are presented for the purpose of additional analysis and are not a required part of the basic financial statements but are supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. The supplemental schedules have been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

COOPERS & LYBRAND L.L.P.

Louisville, Kentucky
June 16, 1997

HUMANA RETIREMENT AND SAVINGS PLAN

STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS

December 31, 1996 and 1995

ASSETS	1996	1995
Investments:		
At fair value:		
Common stocks	\$ 257,027,353	\$ 194,162,703
NC Capital Preservation Fund		10,548,080
Armada Money Market Fund	2,654,772	
Armada Government Fund	1,323,112	6,165,701
Investment contracts	9,803,627	4,187,783
Participant notes receivable	7,530,998	3,624,206
Bonds and asset-backed securities	25,705	173,494
	278,365,567	218,861,967
At contract value:		
Investment Contracts	72,900,699	49,647,896
Total investments	351,266,266	268,509,863
Cash	888	
Due from brokers for securities sold	19,489,023	
Receivable from participating employers for participant withholdings and employers' contributions	16,230,206	13,263,046
Accrued interest and dividends	590,110	112,843
Total assets	387,576,493	281,885,752

LIABILITIES AND NET ASSETS
AVAILABLE FOR BENEFITS

Cash overdraft		97,738
Due to brokers for securities purchased	1,074,627	79,325
Accrued expenses	412,293	187,536
Forfeited employers' contributions available to reduce future		

employers' contributions	57,345	103,368
Total liabilities	1,544,265	467,967
Net assets available for benefits	\$ 386,032,228	\$ 281,417,785

The accompanying notes are an integral part of the financial statements.

HUMANA RETIREMENT AND SAVINGS PLAN

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

For the years ended December 31, 1996 and 1995

	1996	1995
Additions to net assets:		
Investment income:		
Net (depreciation) appreciation in fair value of investments	\$ (19,030,790)	\$ 35,421,116
Interest	6,055,957	4,737,737
Dividends	1,675,018	506,510
	(11,299,815)	40,665,363
Contributions:		
Participants	23,043,766	16,506,721
Employers	25,377,619	19,350,367
Forfeited employers' contributions	(228,177)	(215,876)
Transfer from CareNetwork 401(k) Salary Reduction Plan and Trust		2,445,836
Transfer from EMPHESYS Financial Group Inc.'s Plans (note 3)	92,358,212	
Total additions	129,251,605	78,752,411
Deductions from net assets:		
Benefits paid to participants	24,218,255	12,572,425
Administrative expenses	418,907	322,215
Total deductions	24,637,162	12,894,640
Net increase	104,614,443	65,857,771
Net assets available for benefits:		
Beginning of period	281,417,785	215,560,014
End of period	\$ 386,032,228	\$ 281,417,785

The accompanying notes are an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Plan:

The Humana Retirement and Savings Plan (the "Plan") is a qualified, trustee plan established for the benefit of the employees of Humana Inc. and its subsidiaries ("Humana") and is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). The Plan maintained two accounts, the Thrift Account and the Retirement Account, prior to January 1, 1994. No further contributions were accepted into the Thrift Account subsequent to December 31, 1993, as a new Pretax Savings Account was added to the Plan effective January 1, 1994. All Thrift Account balances as of December 31, 1993 remained in the Plan.

The Plan's Sponsor, Humana Inc., offers managed health care products that integrate medical management with the delivery of health care services through a network of providers.

Any employee of Humana who has completed at least one year of service with a sponsoring employer and has completed 1,000 hours of service is eligible to participate in the Plan's Pretax Savings Account. A participant, through payroll deductions, may contribute not less than 1% nor more than 6% of the participant's compensation per pay period. An amount equal to 50% of the participant's contributions is contributed by Humana. The Board of Directors of Humana, at its option, may increase this matching percentage up to 100%. Participants who contribute the maximum 6% amount are eligible to make voluntary contributions of amounts which do not exceed an additional 8% of their annual compensation. These voluntary contributions are not subject to employer matching contributions.

After an employee completes two years of service with a sponsoring employer and has complied with certain other service requirements, Humana makes annual contributions to the Retirement Account of the Plan equal to 4% of each participating employee's qualifying compensation earned during the Plan year, plus 4% of any compensation that exceeds the Social Security taxable wage base. Contribution amounts are computed as of the end of each Plan year and are nonforfeitable.

Contributions to the Plan by or on behalf of employees may be restricted in amount and as to timing so as to meet various requirements of the Internal Revenue Code of 1986 ("IRC") as amended.

Each participant's account is credited with the participant's contributions and the Company's contributions and the allocations of Plan earnings and charged with an allocation of administrative expenses. Allocations are based on participants' account balances. Forfeited balances of terminated participants' nonvested accounts are used to reduce future Company contributions. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Contributions to the Plan are invested by National City Trust Company (the "Trustee") in seven separate participant directed

investment funds as follows:

Interest Income Fund: In obligations of the United States and United States Government agencies, debentures, notes or other evidences of indebtedness, shares of preferred stock and any other property, the rate of return from which is established by the instruments evidencing the investments, including principal and interest contracts.

Continued

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Plan, continued:

Stock Index Fund: In units of the State Street Flagship Domestic Index Commingled Trust Fund which invests exclusively in securities which attempt to match the return of the Standard and Poor's 500 Index.

Humana Common Stock Fund: In Humana common stock, or in U.S. Treasury Bills, commercial paper, certificates of deposit and money market funds as determined by the Trustee. All employer contributions to the Pretax Savings Account are invested in this fund. Employer contributions may be made in cash, in shares of Humana common stock, or a combination thereof. At December 31, 1996 and 1995, this fund included \$51,466,809 and \$69,269,143, respectively, of non-participant directed funds related to the 401(k) employer match.

Aggressive Growth Fund: In shares of Fidelity Contrafund which invests in common stocks and securities convertible into common stock which have market values appearing low relative to underlying value or future earnings and growth potential. The Fidelity Contrafund may also invest in, among other investments, convertible securities, warrants, preferred stock, bonds, foreign securities, covered call options, put options, repurchase agreements, and cash equivalent securities.

Balanced Fund: In shares of Fidelity Balanced Fund which invests in common and preferred stocks, straight debt issues (including government securities) or debt securities with equity conversion or purchase rights and in cash and cash equivalents, the objective of which is to emphasize current income while secondarily striving to attain capital growth.

International Fund: In shares of Harbor International Fund which invests in equity securities, American Depository Receipts, European Depository Receipts, securities convertible into common stock, government securities, and non-convertible preferred stocks of issuers domiciled outside the United States so as to achieve long-term growth of capital. The Harbor International Fund may also invest in cash equivalent securities, such as Treasury bills, commercial paper and certificates of deposit.

Small Capitalization Fund: In shares of Compass Small Cap Fund which invests in equity securities consisting primarily of emerging growth companies and companies selected for investment because of their unique situation. The Compass Small Cap Fund may also invest in cash equivalent securities, such as U.S. Treasury bills, commercial paper

and certificates of deposit.

A participant may allocate his/her contributions to the Pretax Savings Account and Humana's contribution to the Retirement Account among the various funds in increments of not less than 1%. In the absence of such allocation, these contributions are invested in the Interest Income Fund. In connection with a change in allocation of a participant's or Humana's future contributions among the seven Plan funds and a change in the investment of existing accounts ("Transfers"), the value of Transfers to or from the Humana Common Stock Fund will reflect the price or prices at which all shares are purchased, sold or transferred before, on or after the participant's monthly election rather than transferring strictly based on the value at the monthly closing price.

The value of a participant's interest, including employer contributions, is generally payable upon the occurrence of one of the following events: (1) the participant's retirement on or after the date he/she attains age 65; (2) the participant's early retirement after attaining age 55 and having been credited with two years of service; (3) a

Continued

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Plan, continued:

determination by Humana upon competent medical or other evidence that, by reason of permanent and total disability, the participant is incapable of performing the duties of his/her work; or (4) the participant's death. Employee contributions are nonforfeitable. Participants who withdraw from the Pretax Savings Account prior to being credited with four years of participation or five years of service with Humana are eligible to receive generally the value of employer contributions at the withdrawal date, exclusive of those made during the two years preceding withdrawal. Employer contributions become totally nonforfeitable after the participant is credited with four years of participation in the Plan or five years of service with Humana.

Employer contributions forfeited as a result of withdrawal following termination of employment will be available to reduce the amount of subsequent employer contributions to the Pretax Savings Account. If a former participant is re-employed prior to five consecutive one-year breaks in service and repays the amount of his/her distribution, then any forfeited employer contributions are restored to his/her account.

A participant may generally withdraw an amount from the Thrift Account equal to the value of the participant's account as of the valuation date following the date the withdrawal request is received by the Plan Administrator. Effective January 1, 1994, in the event funds are needed because of extreme financial hardship as defined by law, the participant may be allowed to make a withdrawal from his/her Pretax Savings Account. In addition, the Plan contains restrictions relating to minimum withdrawals and the frequency of withdrawals.

Benefits under the Plan are payable to withdrawing participants including retirees as follows:

- (a) A lump sum distribution in cash or, in the event of a distribution from the Humana Common Stock Fund, partially or totally in Humana Common Stock, or
- (b) Monthly, quarterly or annual installments for a period of 5, 10, 15 or 20 years not to exceed the life expectancy of the participant, or the joint and last survivor expectancy of the participant and designated beneficiary, or
- (c) A life annuity form of payment, or
- (d) A life annuity with guaranteed payments.

Operating expenses of the Plan are paid by the Plan.

There were approximately 17,800 and 13,000 participants at December 31, 1996 and 1995, respectively, who had allocated their contributions to one or more funds as follows:

	1996	1995
Interest Income Fund	14,554	11,946
Humana Common Stock Fund	13,616	10,053
Aggressive Growth Fund	7,914	4,466

Continued

NOTES TO FINANCIAL STATEMENTS, Continued

1. Summary of Plan, continued:

	1996	1995
Stock Index Fund	7,896	5,656
Small Capitalization Fund	5,898	3,192
Balanced Fund	5,415	3,980
International Fund	4,537	2,680

Effective January 1, 1994, participants may borrow from their fund accounts. The aggregate of the loans to a participant shall not exceed the lesser of \$50,000 or 50% of the vested portion of his/her participant contribution accounts, voluntary contribution accounts plus his/her employer thrift and pretax savings accounts to which he/she would be entitled to if he/she incurred a termination of employment. The minimum a participant may borrow is \$500. Loan transactions are treated as a transfer to (from) the investment fund from (to) the Participant Notes Fund. Loan terms range from one to four years or up to ten years for the purchase of a primary residence. The loans are secured by the balance in the participant's account and bear interest at a reasonable rate in accordance with Department of Labor rules and regulations, as determined by the Plan Administrator. Principal and interest are repaid ratably through payroll deductions.

Humana has the right, under the Plan, to discontinue its contribution at any time and to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated, the interest of each participant would continue to be nonforfeitable and would be distributed as determined by Humana.

2. Summary of Significant Accounting Policies:

The financial statements of the Plan are prepared under the accrual method of accounting.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Certain reclassifications have been made to the 1995 financial statements in order to conform to the 1996 classifications. The changes had no effect on previously reported net assets available for benefits.

Benefits are recorded when paid.

The Plan presents in the accompanying Statement of Changes in Net Asset Available for Benefits, the net appreciation or depreciation in fair value of investments which consists of both realized gains or losses and unrealized appreciation or depreciation.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

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NOTES TO FINANCIAL STATEMENTS, Continued

2. Summary of Significant Accounting Policies, continued:

Investments in securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the period; securities traded in the over-the-counter market and listed securities for which no sale was reported on that date are valued at the mean between the last reported bid and asked prices.

The fair values of units in the Armada Government Funds, Armada Money Market Fund, and the NC Capital Preservation Fund are determined by the Trustee based upon the securities comprising the funds. The fair values for those securities represent the last recorded sale of the year. In the absence of recorded sales, and for securities not listed on a national securities exchange, the fair values represent the mean of bid and asked prices obtained from certified investment brokers.

The Interest Income Fund investments include, among others, investment contracts, collateralized mortgage obligations, bonds, asset-backed securities and other fixed income obligations such as commercial paper.

Investment contracts with insurance companies are fully benefit-responsive and are carried at contract value, which represents contributions plus interest earned at specified

rates less withdrawals and administrative expenses. Investment contracts with banks are carried at fair value. The collateralized mortgage obligations, bonds and asset-backed securities are recorded at fair value. These securities are not listed on a national securities exchange. The fair values represent the mean of bid and asked prices obtained from certified investment brokers.

3. Merger:

On April 1, 1996, June 30, 1996 and September 17, 1996 the assets of Employers Health Insurance Profit Sharing Plan, Centerstone Insurance and Financial Services Savings and Investment Plan, and HMO California Retirement Savings Plan, respectively, all wholly owned subsidiaries of EMPHESYS Financial Group Inc., a wholly owned subsidiary of Humana, were merged with the Plan. The market values of the assets at the time of transfer were as follows:

Employers Health Insurance Profit Sharing Plan	\$91,176,109
Centerstone Insurance and Financial Services Saving and Investment Plan	1,102,134
The HMO California Retirement Savings Plan	79,969
	\$92,358,212

Effective July 6, 1995, the assets of CareNetwork, Inc.'s, a wholly owned subsidiary of Humana, CNI 401(k) Salary Reduction Plan and Trust were merged with the Plan. The market value of the assets transferred was \$2,445,836.

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NOTES TO FINANCIAL STATEMENTS, Continued

4. Investments:

The following table sets forth the fair value/contract value of investments at December 31, 1996. Investments that represent 5% or more of the Plan's net assets as well as investments in excess of \$2,000,000 as of December 31, 1996 have been separately identified:

Issuer	Par or Maturity Value/Number of Units or Shares	Fair Value/ Contract Value
Investments at Fair Value:		
Common Stocks:		
Humana Inc. Common Stock	5,321,361	\$ 101,105,859
State Street Flagship Domestic Index Fund	431,173	51,483,806
Harbor International Fund	616,683	19,857,202
Compass Small Cap Fund	1,919,469	29,060,767

Fidelity Contrafund	1,317,194	55,519,719
		257,027,353
Obligations due within one year:		
Armada Money Market Fund	2,654,772	2,654,772
Other	1,323,112	1,323,112
		3,977,884
Investment contracts - Banks:		
Caisse Des Depots (CDC)	\$ 3,873,495	3,873,495
Various	\$ 5,930,132	5,930,132
		9,803,627
Bonds and asset-backed securities:		
Various	\$ 25,758	25,705
Participant notes receivable:		
Various	\$ 7,530,998	7,530,998
Investments at Contract Value:		
Investment Contracts		
Insurance Companies:		
Allstate Life Insurance Co.	\$ 4,000,000	4,181,963
Allstate Life Insurance Co.	\$ 3,000,000	3,130,341
Canada Life Assurance Co.	\$ 3,000,000	3,097,393
Commonwealth Life Insurance Co.	\$ 2,836,086	2,978,433
Commonwealth Life Insurance Co.	\$ 2,436,214	2,555,501
Commonwealth Life Insurance Co.	\$ 2,844,216	2,976,808
Commonwealth Life Insurance Co.	\$ 3,708,000	4,001,545
Continental Assurance Co.	\$ 3,000,000	3,056,303

Continued

NOTES TO FINANCIAL STATEMENTS, Continued

4. Investments, continued:

Issuer	Par or Maturity Value/Number of Units or Shares	Fair Value/ Contract Value
Life of Virginia Lincoln National Life Insurance Co.	\$ 2,000,000	\$ 2,098,946
Metropolitan Life Insurance Co.	\$ 1,756,400	2,001,122
New York Life Insurance Co.	\$ 3,745,762	4,103,634
New York Life Insurance Co.	\$ 3,260,621	3,406,226
New York Life Insurance Co.	\$ 4,454,892	4,666,439
New York Life Insurance Co.	\$ 3,000,000	3,163,192
New York Life Insurance Co.	\$ 2,900,127	3,036,565
Provident Life & Accident Insurance Co.	\$ 1,875,367	2,007,461
Provident Life & Accident Insurance Co.	\$ 2,449,140	2,621,649
Provident Life & Accident Insurance Co.	\$ 2,901,663	3,006,768
Prudential Insurance Co.	\$ 2,000,000	2,085,499
TransAmerica Accidental Life Insurance Co.	\$ 3,000,000	3,182,795
United of Omaha Life Insurance Co.	\$ 2,914,289	3,008,186
Others	\$ 7,731,722	8,533,930
		72,900,699
		\$ 351,266,266

During the year ended December 31, 1996, the Plan's investments (including investments bought, sold and held during the period) appreciated (depreciated) in value as follows:

Common stocks	\$ (19,031,380)
Bonds and asset-backed securities	590
	\$ (19,030,790)

The fair value of the investments carried at contract values at December 31, 1996 and 1995 was \$68,814,499 and \$47,669,567, respectively. The average yield and crediting interest rate approximated 6.4% and 6.7% for 1996 and 1995, respectively.

The per share closing price of Humana common stock was \$19.00 on December 31, 1996. On June 16, 1997, the per share closing price of Humana common stock was \$23.75.

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NOTES TO FINANCIAL STATEMENTS, Continued

5. Reconciliation of Financial Statements to Form 5500:

The following is a reconciliation of net assets available for benefits per the accompanying financial statements to the Form 5500:

	December 31, 1996	December 31, 1995
Net assets available for benefits per the financial statements	\$ 386,032,228	\$ 281,417,785
Amount allocated to withdrawn participants	(1,484,772)	(756,251)
Net assets available for benefits per the Form 5500	\$ 384,547,456	\$ 280,661,534

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500:

For the year ended December 31, 1996	For the year ended December 31, 1995
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participating employers for participant withholdings and employers' contributions	10,239,896	1,849,217	1,466,240	1,202,046	359,035	458,186	643,786	11,800	16,230,206
Accrued interest and dividends	587,243	228	1,695	365	250	166	163		590,110
Total Assets	96,211,942	53,446,248	103,245,886	56,947,677	19,956,357	20,403,004	9,822,271	7,543,108	387,576,493
LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS									
Cash overdraft									
Due to Broker for Securities Purchased		112,997	531,078	225,547		87,450	117,555		1,074,627
Accrued expenses	87,937	68,716	82,633	74,122	27,727	27,615	43,543		412,293
Forfeited employer's contributions and employers' contributions			57,345						57,345
Total Liabilities	87,937	181,713	671,056	299,669	27,727	115,065	161,098		1,544,265
Net assets available for benefits	\$96,124,005	\$53,264,535	\$102,574,830	\$56,648,008	\$19,928,630	\$20,287,939	\$29,661,173	\$7,543,108	\$386,032,228

NOTES TO FINANCIAL STATEMENTS, Continued

8. Net Assets by Fund at December 31, 1995:

	Interest Income Fund	Stock Index Fund	Humana Common Stock Fund	Agressive Growth Fund	Balanced Fund	International Fund	Small Capitalization Fund	Participant Notes Fund	Total
ASSETS									
Investments:									
At fair value:									
Common Stock		\$27,022,268	\$128,661,734	\$15,794,312	\$9,278,626	\$ 6,366,437	\$7,039,326		\$194,162,703
NC Capital Preservation Fund	\$10,548,080								10,548,080
Armada Government Fund	5,858,028		156,708		62,043	35,122	53,800		6,165,701
Investment Contracts	4,187,783								4,187,783
Participant Loans								\$3,624,206	3,624,206
Bonds and asset-backed securities	173,494								173,494
	20,767,385	27,022,268	128,818,442	15,794,312	9,340,669	6,401,559	7,093,126	3,624,206	218,861,967
At contract value:									
Investment Contracts:	49,647,896								49,647,896
Total Investments	70,415,281	27,022,268	128,818,442	15,794,312	9,340,669	6,401,559	7,093,126	3,624,206	268,509,863
Receivable from participating employers for participant withholdings and employers' contributions	8,054,490	1,806,913	1,763,637	658,830	334,490	269,921	301,382	73,383	13,263,046
Accrued interest and dividends	110,522	117	1,228	429	210	131	206		112,843
Total assets	78,580,293	28,829,298	130,583,307	16,453,571	9,675,369	6,671,611	7,394,714	3,697,589	281,885,752
LIABILITIES AND NET ASSETS AVAILABLE FOR BENEFITS									
Cash Overdraft		28,346		70,048				(656)	97,738
Due to Broker for Securities Purchased		(37,845)	85,956	(88,613)	50,319	26,517	42,991		79,325
Accrued expenses	28,566	18,789	59,343	26,908	23,280	18,859	11,791		187,536
Forfeited employers' contributions and employers' contributions			103,368						103,368
Total Liabilities	28,566	9,290	248,667	8,343	73,599	45,376	54,782	(656)	467,967
Net asset available for benefits	\$78,551,727	\$28,820,008	\$130,334,640	\$16,445,228	\$9,601,770	\$6,626,235	\$ 7,339,932	\$3,698,245	\$281,417,785

NOTES TO FINANCIAL STATEMENTS, Continued

9. Activity by Fund for the Year Ended December 31, 1996:

	Interest	Humana	Agressive	Small
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	Income Fund	Stock Index Fund	Common Stock Fund	Growth Fund	Balanced Fund	International Fund	Capitalization Fund	Participant Notes Fund	Total
Additions to net assets:									
Investments income:									
Net appreciation (depreciation) in fair value of investments	\$ 590	\$ 8,723,491	\$ (42,543,468)	\$ 7,557,450	\$ 961,084	\$ 2,578,207	\$ 3,691,856		\$ (19,030,790)
Interest	5,464,301	7,297	28,735	49,917	17,511	1,730	5,619	\$ 480,847	6,055,957
Dividends				478,562	782,290	247,189	166,977		1,675,018
	5,464,891	8,730,788	(42,514,733)	8,085,929	1,760,885	2,827,126	3,864,452	480,847	(11,299,815)
Contributions:									
Participants	2,732,690	2,612,590	4,751,152	5,463,606	2,641,309	1,917,783	2,924,636		23,043,766
Employers	10,239,100	1,849,781	10,626,116	1,201,908	356,479	460,326	643,909		25,377,619
Forfeited employers' contributions			(228,177)						(228,177)
Transfer from EMPHESYS Financial Group Inc.'s Plans (see note 3)	16,626,084	12,370,967	6,394,357	25,710,528	6,991,771	8,017,039	14,119,530	2,127,936	92,358,212
Total additions	35,062,765	25,564,126	(20,971,285)	40,461,971	11,750,444	13,222,274	21,552,527	2,608,783	129,251,605
Deductions from net assets:									
Benefits paid to participants	8,801,953	1,944,439	6,797,307	2,952,501	1,122,442	761,639	1,541,135	296,839	24,218,255
Administrative expenses	142,120	62,280	121,756	41,283	15,545	14,613	21,310		418,907
Interfund Transfers	8,546,414	(887,120)	(130,538)	(2,734,593)	285,597	(1,215,682)	(2,331,159)	(1,532,919)	
Total deductions	17,490,487	1,119,599	6,788,525	259,191	1,423,584	(439,430)	(768,714)	(1,236,080)	24,637,162
Net increase (decrease)	17,572,278	24,444,527	(27,759,810)	40,202,780	10,326,860	13,661,704	22,321,241	3,844,863	104,614,443
Net assets available for benefits:									
Beginning of period	78,551,727	28,820,008	130,334,640	16,445,228	9,601,770	6,626,235	7,339,932	3,698,245	281,417,785
End of period	\$96,124,005	\$53,264,535	\$102,574,830	\$56,648,008	\$19,928,630	\$20,287,939	\$29,661,173	\$7,543,108	\$386,032,228

NOTES TO FINANCIAL STATEMENTS, Continued

10. Activity by Fund for the Year Ended December 31, 1995:

	Interest Income Fund	Stock Index Fund	Humana Common Stock Fund	Aggressive Growth Fund	Balanced Fund	International Fund	Small Capitalization Fund	Participant Notes Fund	Total
Additions to net assets:									
Investment income:									
Net appreciation in fair value of investments	\$ 16,854	\$ 7,282,750	\$ 21,952,019	\$ 3,603,836	\$ 726,434	\$ 723,135	\$ 1,116,088		\$ 35,421,116
Interest	4,480,403	1,310	21,405	3,572	2,203	1,401	1,622	\$ 225,821	4,737,737
Dividends				34,641	351,243	90,776	29,850		506,510
	4,497,257	7,284,060	21,973,424	3,642,049	1,079,880	815,312	1,147,560	225,821	40,665,363
Contributions:									
Participants	2,571,118	1,511,612	4,160,731	3,102,809	2,329,219	1,273,477	1,557,755		16,506,721
Employers	8,133,603	1,760,797	8,090,570	570,396	285,005	248,434	261,562		19,350,367
Forfeited employers' contributions			(215,876)						(215,876)
Transfers from CareNetwork 401(k) Salary Reduction Plan and Trust	968,117	173,807	372,216	191,956	271,514	145,590	126,824	195,812	2,445,836
Total additions	16,170,095	10,730,276	34,381,065	7,507,210	3,965,618	2,482,813	3,093,701	421,633	78,752,411
Deductions from net assets:									
Benefits paid to participants	5,065,892	914,786	4,971,191	654,072	373,711	218,279	253,859	120,635	12,572,425
Administrative expenses	100,777	42,303	139,535	15,167	9,699	6,737	7,997		322,215
Interfund transfers	1,465,073	393,022	(172,437)	(734,783)	339,778	(14,125)	(215,702)	(1,060,826)	
Total deductions	6,631,742	1,350,111	4,938,289	(65,544)	723,188	210,891	46,154	(940,191)	12,894,640

Net increase	9,538,353	9,380,165	29,442,776	7,572,754	3,242,430	2,271,922	3,047,547	1,361,824	65,857,771
Net assets available for benefits:									
Beginning of period	69,013,374	19,439,843	100,891,864	8,872,474	6,359,340	4,354,313	4,292,385	2,336,421	215,560,014
End of period	\$78,551,727	\$28,820,008	\$130,334,640	\$16,445,228	\$9,601,770	\$6,626,235	\$7,339,932	\$3,698,245	\$281,417,785

HUMANA RETIREMENT AND SAVINGS PLAN
PLAN #002 EIN #61-0647538
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
December 31, 1996
(Item 27a of Form 5500)

Issuer	Stated Issuer Rate	Maturity Date	Par or Maturity Value/Number of Units or Shares	Cost	Fair Value/Contract Value
Investments at Fair Value:					
Common stocks:					
Humana Inc. Common Stock			5,321,361	\$69,183,730	\$101,105,859
State Street Flagship Domestic Index Fund			431,173	33,873,288	51,483,806
Harbor International Fund			616,683	17,241,670	19,857,202
Compass Small Cap Fund			1,919,469	28,549,126	29,060,767
Fidelity Contrafund			1,317,194	48,689,296	55,519,719
				197,537,110	257,027,353
Obligations due within one year:					
Armada Government Fund - Disc			1,323,112	1,323,112	1,323,112
Armada Money Market Fund			2,654,772	2,654,772	2,654,772
				3,977,884	3,977,884
Investment contracts - Banks:					
Bankers Trust Co.	8.83%	06/1999	\$ 1,810,870	1,810,870	1,810,870
Bankers Trust Co.	8.54%	04/1997	\$ 464,453	464,453	464,453
Caisse Des Depots (CDC)	6.44%	08/2001	\$ 3,873,495	3,873,495	3,873,495
Caisse Des Depots (CDC)	6.42%	12/2000	\$ 1,711,812	1,711,812	1,711,812
Caisse Des Depots (CDC)	6.56%	01/1999	\$ 1,942,997	1,942,997	1,942,997
				9,803,627	9,803,627
Bonds and asset - backed securities:					
GMAC 1992 F Grantor Trust	4.50%	09/1997	\$ 25,758	25,649	25,705
Participant notes receivable	7.00% / 10.00%	Various	\$ 7,530,998	7,530,998	7,530,998

Continued
HUMANA RETIREMENT AND SAVINGS PLAN
PLAN #002 EIN #61-0647538
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
December 31, 1996
(Item 27a of Form 5500)

Issuer	Stated Issuer Rate	Maturity Date	Par or Maturity Value/Number of Units or Shares	Cost	Fair Value/Contract Value
Investments at Contract Value:					
Investment Contracts					
Insurance Company:					
Allstate Life Insurance Co.	6.08%	02/2002	\$4,000,000	\$4,000,000	\$4,181,963
Allstate Life Insurance Co.	6.92%	05/2001	\$3,000,000	3,000,000	3,130,341
Canada Life Assurance Co.	5.71%	09/1998	\$3,000,000	3,000,000	3,097,393
Commonwealth Life Insurance Co.	6.43%	03/2002	\$2,836,086	2,836,086	2,978,433
Commonwealth Life Insurance Co.	6.14%	01/2000	\$2,436,214	2,436,214	2,555,501
Commonwealth Life Insurance Co.	6.30%	01/2001	\$2,844,216	2,844,216	2,976,808
Commonwealth Life Insurance Co.	6.81%	05/2003	\$1,348,476	1,348,476	1,407,278
Commonwealth Life Insurance Co.	7.30%	12/1999	\$3,708,000	3,708,000	4,001,545
Confederation Life Insurance Co., Group Annuity Contract	8.72%	08/1994	\$ 100,000	100,000	108,223
Confederation Life Insurance Co., Group Annuity Contract	9.44%	05/1995	\$ 981,277	981,277	999,167
Confederation Life Insurance Co., Group Annuity Contract	8.30%	01/1996	\$ 150,000	150,000	157,282
Confederation Life Insurance Co., Group Annuity Contract	8.30%	08/1996	\$ 250,000	250,000	250,546
Confederation Life Insurance Co., Group Annuity Contract	8.46%	05/1996	\$ 701,127	701,127	715,206
Continental Assurance Co.	7.66%	09/1999	\$3,000,000	3,000,000	3,056,303
Life of Virginia	6.20%	12/1998	\$2,000,000	2,000,000	2,098,946
Lincoln National Life Insurance Co.	8.12%	05/1999	\$1,756,400	1,756,400	2,001,122
Metropolitan Life Insurance Co., Group Annuity Contract	6.22%	05/2000	\$1,500,000	1,500,000	1,554,275

Metropolitan Life Insurance Co., Group Annuity Contract	6.25%	07/2000	\$3,745,762	3,745,762	4,103,634
Metropolitan Life Insurance Co., Group Annuity Contract	8.55%	01/1998	\$ 392,236	392,236	707,833
Metropolitan Life Insurance Co., Group Annuity Contract	8.30%	01/1998	\$ 206,654	206,654	366,590
New York Life Insurance Co., Group Annuity Contract	7.26%	05/1997	\$3,260,621	3,260,621	3,406,226
New York Life Insurance Co., Group Annuity Contract	7.36%	05/1997	\$4,454,892	4,454,892	4,666,439
New York Life Insurance Co., Group Annuity Contract	7.22%	03/2000	\$3,000,000	3,000,000	3,163,192
New York Life Insurance Co., Group Annuity Contract	6.64%	04/2001	\$2,900,127	2,900,127	3,036,565
Principal Mutual Life Insurance Co.	8.62%	05/1997	\$1,050,976	1,050,976	1,133,765
Principal Mutual Life Insurance Co.	8.62%	05/1998	\$1,050,976	1,050,976	1,133,765
Provident Life & Accident Ins. Co., Group Annuity Contract	7.70%	05/1997	\$1,875,367	1,875,367	2,007,461
Provident Life & Accident Ins. Co., Group Annuity Contract	7.72%	05/1997	\$2,449,140	2,449,140	2,621,649

Continued
HUMANA RETIREMENT AND SAVINGS PLAN
PLAN #002 EIN #61-0647538
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES
December 31, 1996
(Item 27a of Form 5500)

Issuer	Stated Issuer Rate	Maturity Date	Par or Maturity Value/Number of Units or Shares	Cost	Fair Value/ Contract Value
Investments at Contract Value:					
Investment Contracts					
Insurance Company:					
Provident Life & Accident Ins. Co., Group Annuity Contract	6.73%	10/2000	\$2,901,663	\$2,901,663	\$3,006,768
Prudential Insurance Co.	5.12%	02/1999	\$2,000,000	2,000,000	2,085,499
TransAmerica Accidental Life Insurance Co.	7.31%	02/2000	\$3,000,000	3,000,000	3,182,795
United of Omaha Life Insurance Co.	5.75%	05/2001	\$2,914,289		3,008,186
				68,814,499	72,900,699
				\$287,689,767	\$351,266,266

HUMANA RETIREMENT AND SAVINGS PLAN
PLAN #002 EIN #61-0647538
SCHEDULE OF REPORTABLE TRANSACTIONS
For the year ended December 31, 1996
(Item 27d of Form 5500)

Identity of Party Involved	Description of Asset	Purchase Price	Selling Price	Lease Rental	Expense Incurred With Transaction	Cost of Asset	Current Value of Asset on Transaction Date	Net Gain/ (Loss)
Single transactions in excess of 5% of plan assets:								
Fidelity Balanced Fund	Mutual Fund			\$19,489,023		\$ 18,307,314	\$ 19,489,023	\$1,181,709
Fidelity Contrafund Inc Com	Mutual Fund	\$ 24,316,082				24,316,082	24,316,082	
Armada Money Market Fund	Money Market	16,429,238				16,429,238	16,429,238	
Armada Money Market Fund	Money Market	14,677,339				14,677,339	14,677,339	
Armada Gov Fund - Disc.	Money Market		16,429,238			16,429,238	16,429,238	
Armada Gov Fund - Disc.	Money Market	24,316,417				24,316,417	24,316,417	
Armada Gov Fund - Disc.	Money Market		24,316,082			24,316,082	24,316,082	
A series of transactions in excess of 5% of plan assets: *								
Humana Common Stock	Common Stock Fund	22,925,576				22,925,576	22,925,576	
State Street Flagship Index Fund	Mutual Fund	17,686,751				17,686,751	17,686,751	
Fidelity Balanced Fund	Mutual Fund		20,566,474			19,368,520	20,566,474	1,197,954
Compass Cap FDS Small Cap Fund	Mutual Fund	23,345,034				23,345,034	23,345,034	
Fidelity Contrafund Inc Com	Mutual Fund	37,373,573				37,373,573	37,373,573	
Armada Money Market Fund	Money Market		46,654,644			46,654,644	46,654,644	
Armada Money Market Fund	Money Market	49,309,417				49,309,417	49,309,417	
Armada Gov Fund - Disc.	Money Market		131,646,445			131,646,445	131,646,445	
Armada Gov Fund - Disc.	Money Market	126,803,856				126,803,856	126,803,856	

* Note: Single transaction items may be included with a series of transactions.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Humana Retirement and Savings Plan has duly caused this report to be signed by the undersigned thereunto duly authorized.

HUMANA RETIREMENT AND SAVINGS PLAN

BY:

James E. Murray
Chief Financial Officer

June 27, 1997

Exhibit Index

Exhibit 23

Consent of Coopers & Lybrand L.L.P.

CONSENT OF COOPERS & LYBRAND L.L.P.

We consent to the incorporation by reference in the Registration Statement of the Humana Retirement and Savings Plan on Form S-8 (File No. 33-49305), of our report dated June 16, 1997 on our audits of the financial statements and supplemental schedules of the Humana Retirement and Savings Plan as of December 31, 1996 and 1995, and for the years ended December 31, 1996 and 1995, which report is included in this Annual Report on Form 11-K.

COOPERS & LYBRAND L.L.P.
Louisville, Kentucky
June 27, 1997