



Humana Inc.
Second Quarter 2014
Earnings Conference Call



July 30, 2014

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:

1. Form 10-K for the year ended December 31, 2013,
2. Form 10-Q for the quarter ended March 31, 2014, and
3. Form 8-Ks filed during 2014.

Investors are also advised to read Humana's 2Q14 earnings press release dated July 30, 2014 which is available via the Investor Relations page of Humana's web site, www.humana.com.

Strategy and Operations Update

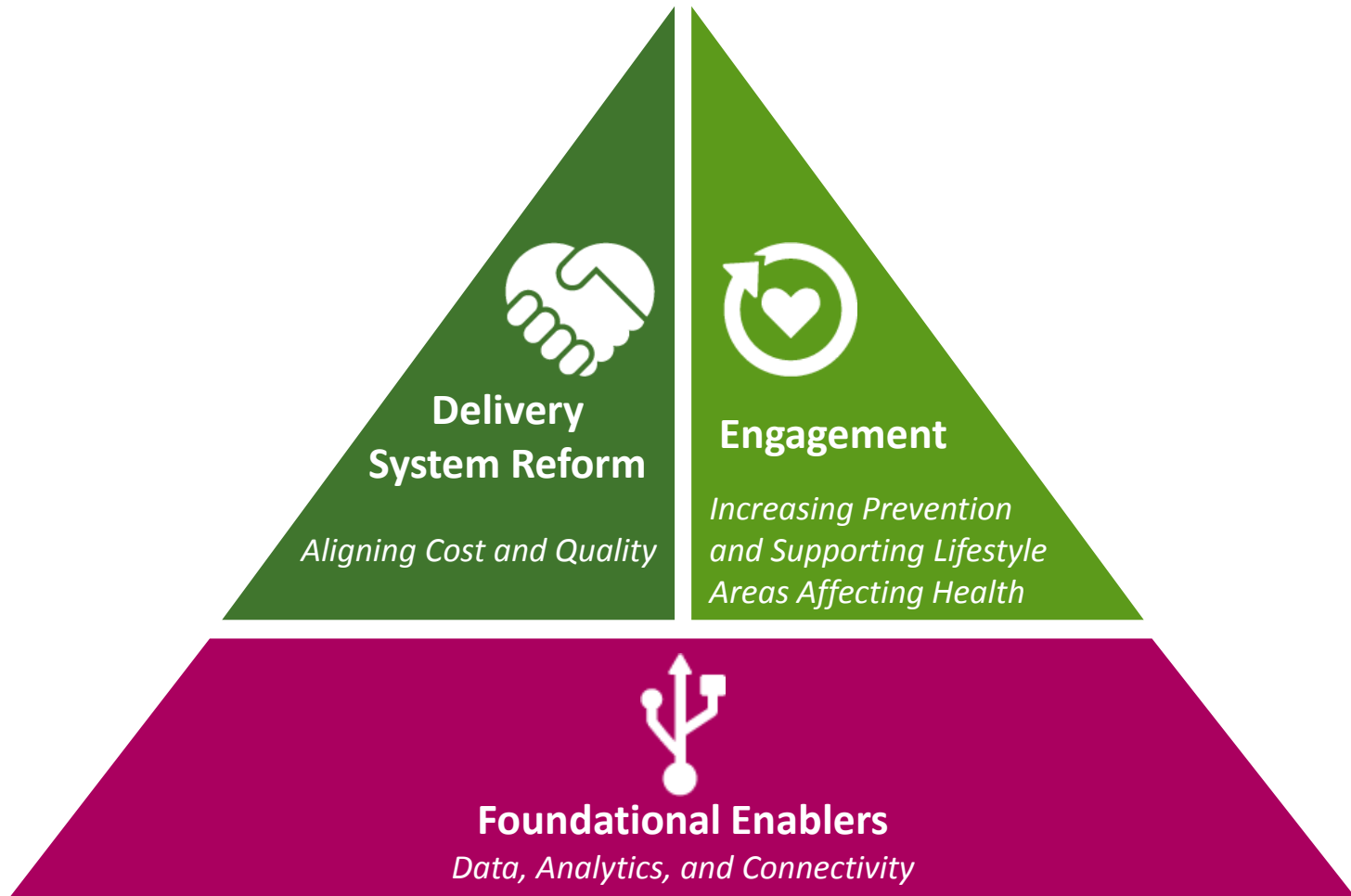
Bruce D. Broussard

President and Chief Executive Officer

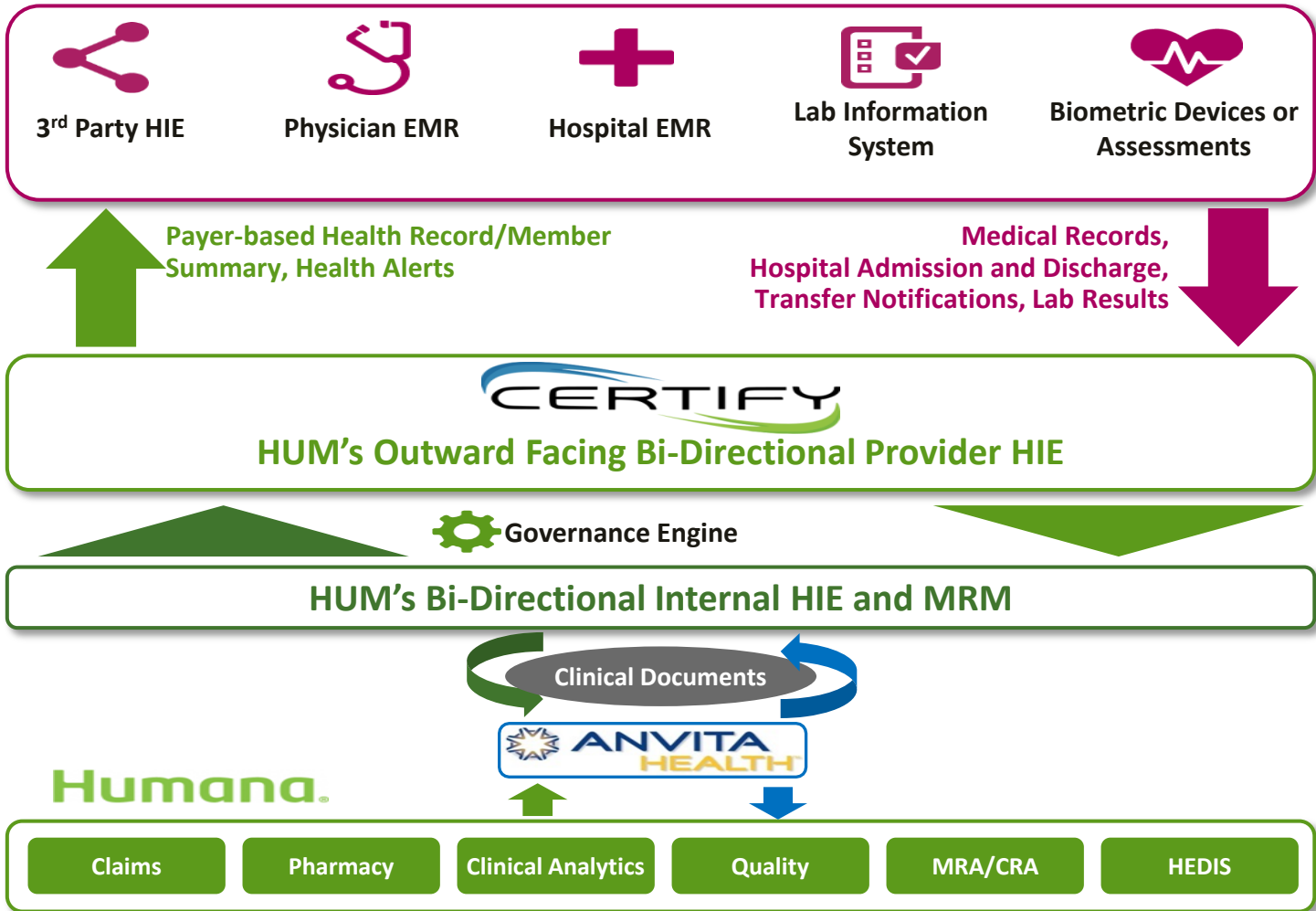
Strength of Business Demonstrated in Diluted Earnings per Common Share



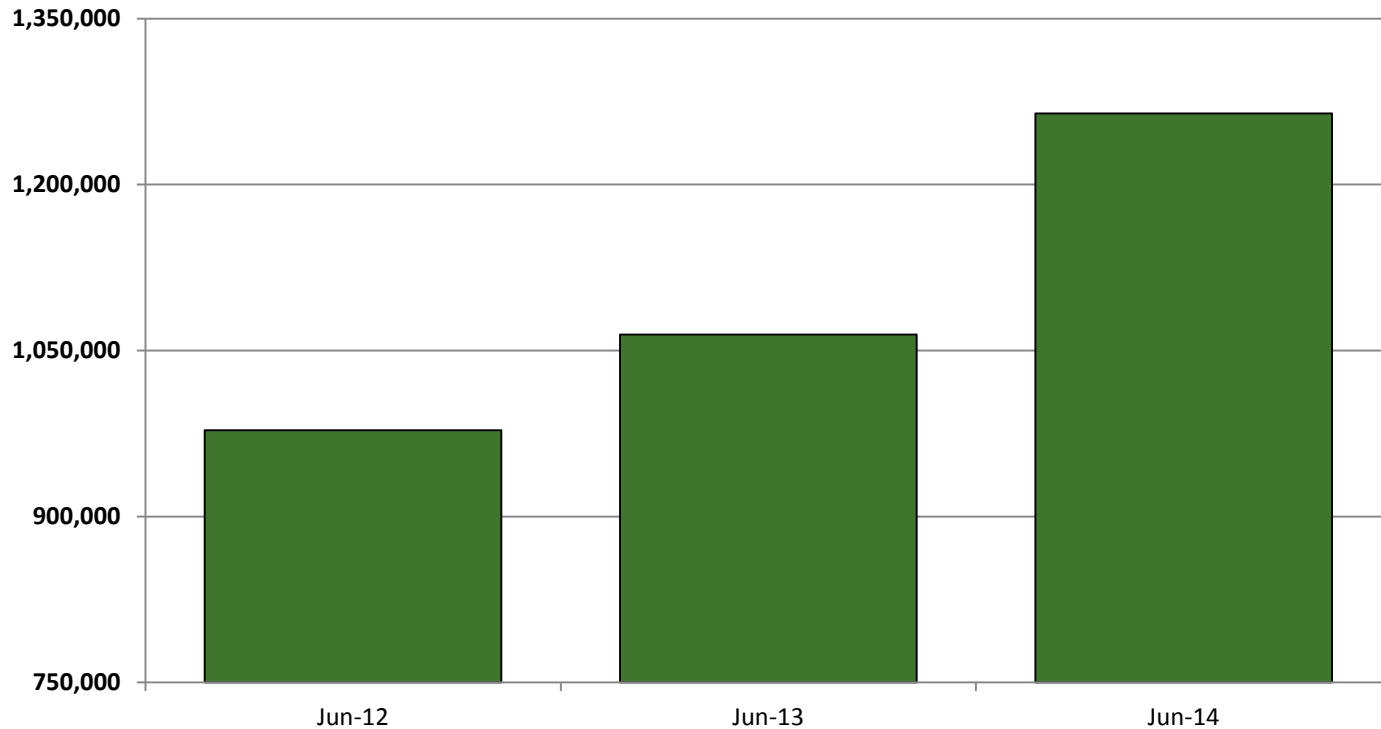
Our Integrated Approach to Health is Demonstrating Meaningful Impacts on Quality and Costs



Integration of Data Allows for Both Clinical and Financial Insights



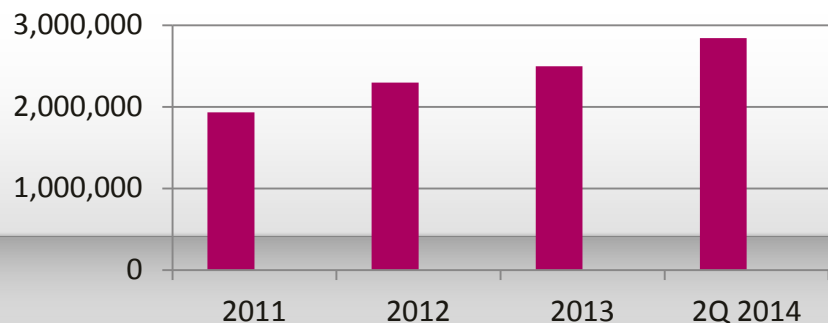
Growth in Compliance with Quality Measures Means Better Health Outcomes for our Members



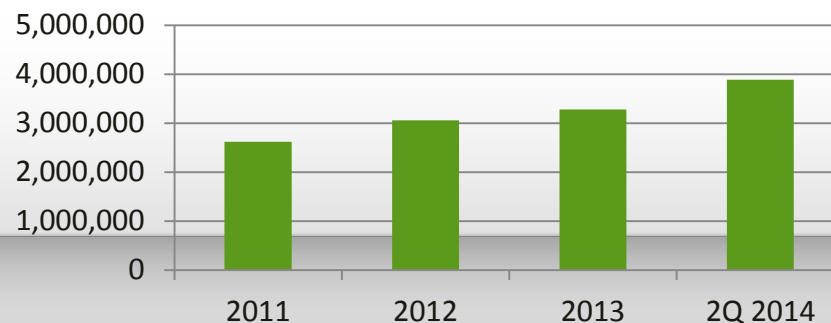
Medical members who had preventive and care adherence measures performed prior to there being a care gap

Medical Membership Growth Enabled by Demographics and Focus on Emerging Markets

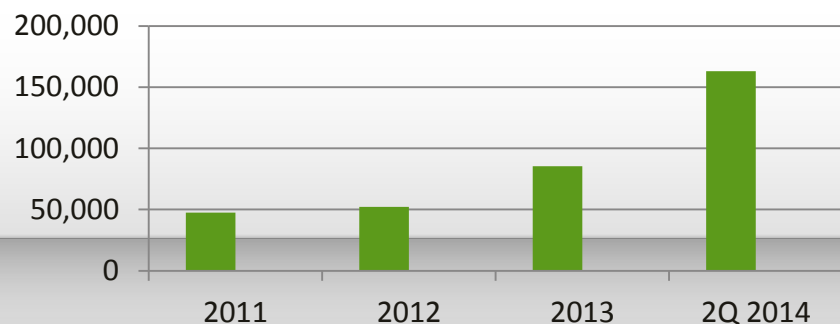
Medicare Advantage Membership*



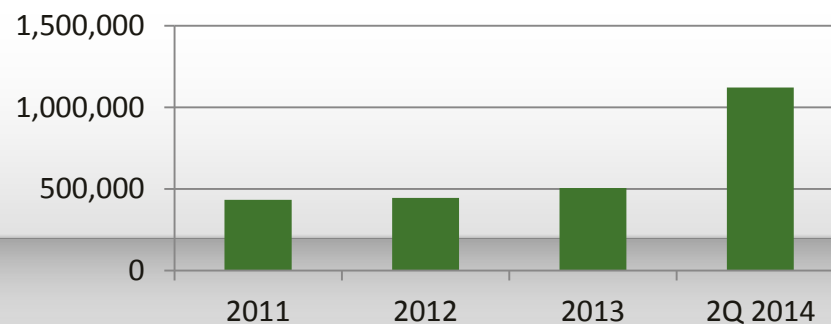
Stand-alone PDP Membership*



State-based Medicaid Membership**

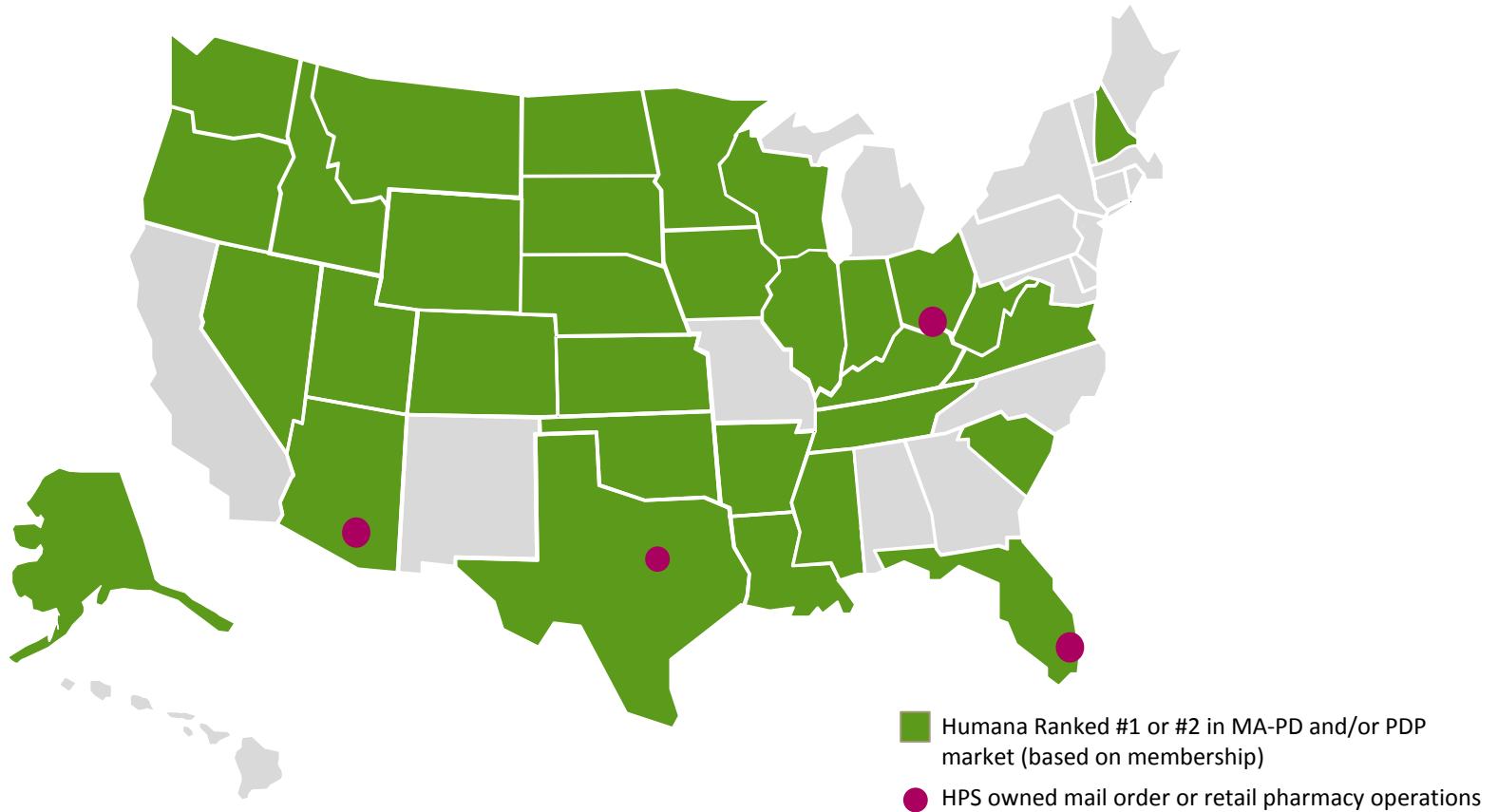


Individual Commercial Medical Membership



Evaluating Humana Pharmacy Solutions' National Scale

HPS brings national scale and capabilities covering more than **9 million lives**, administering over **300 million prescriptions**, and a market-leading Medicare position in **32 states**:



Financial Update

Brian A. Kane

Senior Vice President and Chief Financial Officer

Humana's Base Business is Strong

Strength of Base Business

- Integrated care delivery model
- Growth in Medicare Advantage and stand-alone PDP
- Growth in Healthcare Services Segment
- Opportunities for growth in the health care exchanges and state-based contracts

This Year's Significant Headwinds

- Implementation of ACA provisions
- Hepatitis C costs
- Higher level of clinical investments
- Higher level of marketing costs
- Delays in implementation of state-based contracts
- Transitional policy changes

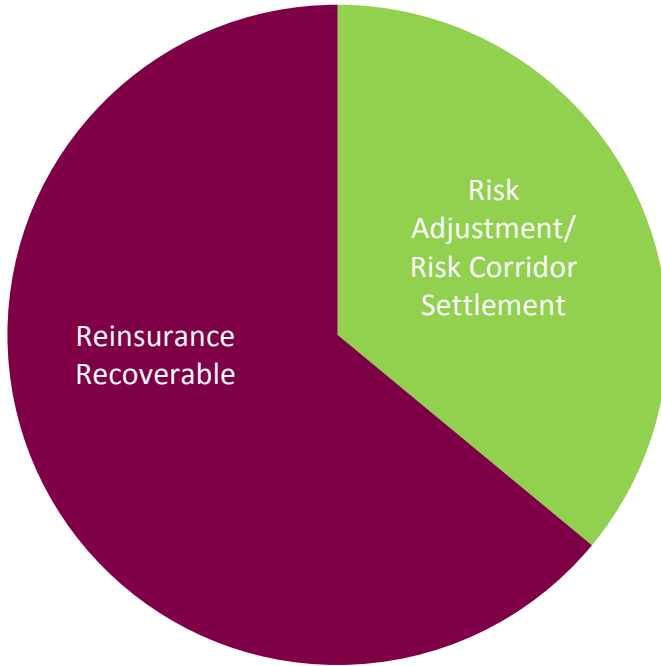
2014 Guidance Rollforward

Dollars in millions, except EPS

	Pretax Income*				EPS*
	Retail Segment	Employer Group Segment	Healthcare Services Segment	Consolidated	
FY 2014 Guidance as of 1Q14	\$1,250	\$325	\$625	\$2,200	\$ 7.50
Increase in marketing costs	(30)	-	-	(30)	(0.12)
Investments in state-based contracts	(20)	-	-	(20)	(0.08)
Operating Performance	-	(25)	75	50	0.20
FY 2014 Guidance as of 2Q14	\$ 1,200	\$ 300	\$ 700	\$2,200	\$ 7.50

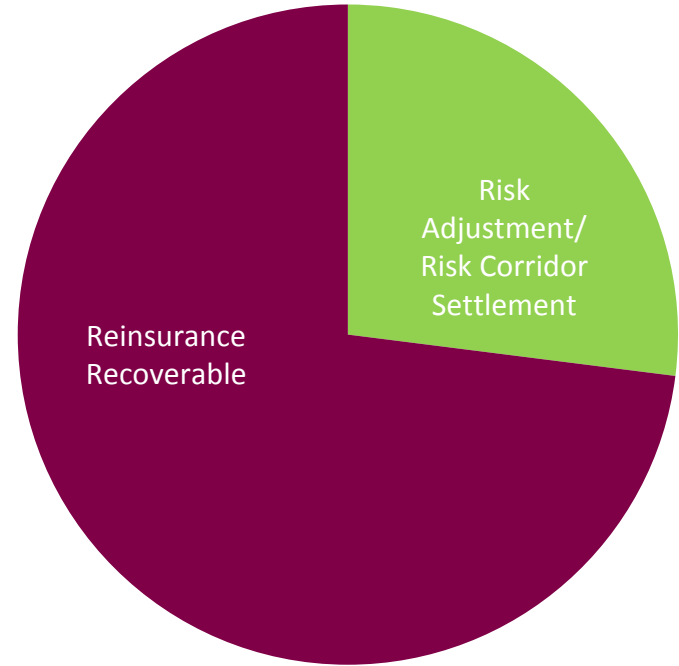
Reinsurance is the Primary Driver of the 3Rs

June 30, 2014
Actual



\$240 Million

December 31, 2014
Estimate



\$575 Million - \$775 Million

Balance Sheet and Capital Deployment

- Total cash dividends from the operating companies of approximately \$695 million received at the parent company by June 30, with an additional \$219 million received in July
- Repurchased \$101 million of stock (805,500 shares) in 2Q14
- Financial leverage and capital return policy review underway

Questions & Answers

Bruce Broussard

President and Chief Executive Officer

Jim Murray

Executive Vice President and Chief Operating Officer

Brian Kane

Senior Vice President and Chief Financial Officer

Steve McCulley

Senior Vice President and Chief Accounting Officer

Christopher Todoroff

Senior Vice President and General Counsel

Follow-up Questions

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