

Policy on Pre-Approval of Audit and Non-Audit Services

HUMANA INC. POLICY ON PRE-APPROVAL of INDEPENDENT AUDITORS FOR AUDIT and NON-AUDIT SERVICES

As Adopted March 13, 2003

As Amended September 11, 2003

Introduction

The Audit Committee is required to pre-approve the audit and non-audit services performed by its independent auditor in order to assure that the provision of such services does not impair the auditor's independence. The annual audit services engagement terms and fees will be subject to the specific pre-approval of the Audit Committee. Unless a type of service to be provided by the independent auditor has received this annual pre-approval, it will require separate pre-approval by the Audit Committee. The Audit Committee does not delegate its responsibilities to pre-approve services performed by the independent auditor to management.

It is the long-standing policy of Humana Inc. ("the Company") and each of its subsidiaries to use the most effective (cost, results, and time) supplier of services on each project or task that requires external assistance. Using the most effective supplier of services on such projects and tasks is deemed to be in the best interest of the Company. The Company's independent auditor offers some of these services.

September 11, 2003

Accordingly, from time to time it can be in the best interest of the Company to engage its independent auditor to perform the following services as long as the auditor's independence is maintained during and after the engagement in accordance with the Sarbanes-Oxley Act, Securities and Exchange Commission ("SEC") regulations, and its interpretations governing auditor independence.

It is the intent of the Company that this Policy be in compliance with all rules and regulations regarding the independence of our outside auditors. If any provision of this Policy is or becomes or is deemed invalid or illegal, or would disqualify the Policy under any law deemed applicable by the Company, such provision shall be construed or deemed amended to conform to applicable laws. If it cannot be construed or deemed amended without, in the determination of the Company, materially altering the intent of the Policy, it shall be stricken and the remainder of the Policy shall remain in full force and effect.

Permissible Services of the Company's Independent Auditor Subject to Separate Pre-Approval

The Audit Committee will consider any proposed retention of the independent auditors for permissible services. For any such service listed below, the Committee may delegate its pre-approval authority to the Chairman of the Committee.

The Committee shall receive a report of all such separately pre-approved services at its next regular meeting.

The following services are permissible services for purposes of separate pre-approval:

Audit-Related Services

Due diligence services pertaining to potential business acquisitions/dispositions

Financial statement audits of employee benefit plans

Agreed-upon or expanded audit procedures related to accounting and/or records required responding to, or complying with financial, accounting or regulatory reporting matters

Internal control reviews and assistance with internal control reporting requirements

Services related to the independent auditor's service as independent review organization for the Company's Corporate Integrity Agreement

Consultations by the Company's management as to the accounting or disclosure treatment of transactions or events and/or the actual or potential impact of final or proposed rules, standards or interpretations by the SEC, FASB, or other regulatory or standard-setting bodies. (Note: Under SEC rules, some consultations may be "audit" services rather than "audit-related" services.)

Attest services not required by statute or regulation

Tax Services

Services include tax advice and planning related to federal and state taxes. These services involve continuous assessment of the Company's current U.S. and state tax positions.

Services include the review of various federal and state tax returns.

Services include advice and/or assistance with respect to Internal Revenue Service ("IRS") and state tax authority audits.

Non-Permissible Services by the Company's Independent Auditor.

The following are non-audit services that may not be performed by the Company's independent auditors in accordance with SEC regulations and the Sarbanes-Oxley Act, "Services Outside the Scope of Practice of Auditors." The eight prohibited services are as follows:

- (1) Bookkeeping or other services related to the accounting records or financial statements of the audit client;
- (2) Financial information systems design and implementation;
- (3) Appraisal or valuation services, fairness opinions, or contribution-in-kind reports;
- (4) Actuarial services;
- (5) Internal audit outsourcing services;
- (6) Management functions or human resources;
- (7) Broker or dealer, investment adviser, or investment banking services;
- (8) Legal services and expert services unrelated to the audit; and
- (9) Any other services that the Board determines, by regulation, are impermissible.