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<<Unidentified Participant>>

We have one more CEO, it's one of these challenges, this is really, it's a dynamic world that we live in, and we did have very successful actually meeting Clara, that spoke to a lot of the topics this morning with CEOs. I'm talking about some of the short-term barriers. And after that we had one of our CEOs who was going to present this afternoon was called down to DC, some new administration apparently down there now. And we have another CEO who was down there this morning, who is now going to join us for our last presentation of the day, and then we'll have some drinks afterwards.

I just want to really thank first of all that we have Vince here, and number of the CEOs for really stepping out and really taking a leadership spot in that, so I think really it's terrific, that we are beginning a dialog. As we said today, it's about to start, but it is a pretty darn good start to help us advance that and a lot of companies are thinking about this.

One of the things we had asked for from a lot of the major institutional investors was give us sort of – what's the format you want to see, who has done it really well, and the answer was, we don't have one yet. But today, as we hear from people, it helps us to really make sure we can improve this as we go forward. So, it's the beginning step, not by any means the end step on that.

Also as we do this now, I also want to thank you all for hanging in there during the day, hopefully gain some insights, some new learning and the rest, and Mark will finish it up today, but also did want to thank the audiovisual team and all the CECP folks for the great work that they have done as well. So, thanks to everybody.

It's now my pleasure to introduce – here we are okay, good. You were there now, but back from DC this morning, we saw your – I saw your photo on the newsfeed, got Bruce Broussard who is the CEO of Humana. Fabulous company, we talk a lot about healthcare, big topic today, and I think you share some great insights into Humana, maybe some insights from your discussions in DC as well.

So, Bruce, thank you. Thank you very much. Appreciate. Bruce Broussard

<<Bruce D. Broussard, Chief Executive Officer, Humana>>

Can everyone hear? Oh great. Well I get started, I know being the last, as they always say, being between here and cocktails is always hard, so I'm going to try get through this fairly quickly for you guys and open it up.

Let me first give you a background about, Humana, that's our cautionary statement. Two sides, just maybe many of you don't know, but Humana started out as a nursing home company in 1962, evolved to a hospital company, evolved to a managed care company and then now is actually going back a little bit in time, and is a company that has an insurance product, but really is also people involved in clinical services. And I'll explain why that in a second.

And you can see both sides of our organization, the insurance side which represents our primary revenue. We do about $54 billion. Our largest segment is our Medicare Advantage segment, and I want to emphasize that because it's kind of sort of lead through a lot of different parts of our organization as we get to that sustainable side.

Medicare Advantage is a unique service that the federal government offers. It has a few attributes to it. First is the individual chooses between Medicare and Medicare Advantage plans. So they first

make that decision. The attributes of Medicare Advantage is, first is guaranteed issuance. So what that means is that it's not an insurance product. Everyone gets – can get the service. So, if you are highly sick, we have to ensure you, which we think is a great aspect of our business.

The second part of it is that, all revenue is then adjusted based on people's conditions. So, if you are likely – if you have mild diabetic, we get paid different than if you are a severe diabetic. It's called risk adjustment. So, what that does is, it's an upside and down insurance model that you actually get paid more for taking care of sicker people. And so we are incentivized actually to help sick people, as opposed to a normal insurance, to find and ensure the healthy and not the sick people.

And then the third thing which is important is that the individual decides, not the HR department, and so what you have is an individual decides, it is based on disease conditions and everyone has the right to get the service. Now that represents over $54 billion, about $40 billion some of our revenue.

I'll go through what the means in a minute. Other part is we're a high – one of the largest TRICARE providers of service and we do have a small group of commercial. But if you were to ask what does Humana do? We are a leader in Medicare Advantage. We have about 27% of the market share in Medicare Advantage.

So, let me give you a little – I'll gave you a little bit of backdrop about Humana and now let talk a little bit about the industry and you guys probably saw lot of this, I just want to make a really important point on these slides. As obviously demographics are growing, seniors aging by 10,000 a day, which many of you know, but also the demographics of moving to chronic, more chorionic conditions. And you've heard some of that today and some of the presentations, and this is both because of the aging population and because of our lifestyle.

Why that is important, is, is that, chronic conditions are much different than episodic condition. Episodic condition is like when you go break your arm or you have to have a surgery, you are in and out and you might have some delay of care, restoration, but it's not long. Chronic condition is you'll live with them every day. So, if you are a person with diabetes or COPD, or some chronic condition, your lifestyle and healthcare are intersected.

And that is much different than the way healthcare was in an episodic environment, where it was more treatment based. You went into the hospital, you got a surgery, you got – you might have some rehab or some other kind of respiratory services, but is very, very short term. In chronic, it is lifestyle.

And so this evolution is an important part of the business model and the change in healthcare. I know you've probably heard about in a few different presentations today. This is an example, as we think as an organization long-term and as we think about how we can have an impact on people this is called a disease progressing curve.

And we picked diabetes as an example of that because it's something people can resonate with. And if you see, early on in the disease, you have a fairly low level of symptoms. But as you progress, some bad things can happen all the way to amputation and blindness. And what I put on the bottom there is, really when you think about our business model, I was talking about this individual that stays with this for a long-period of time, about seven to 10 years, they stay with us. This is the average retention of our members. And if you see in the bottom there, the average medical claims if you move from low severity on a monthly basis to about $613, when you move to high severity, its $4,000.

Now, if you keep in mind that we actually get paid about a $1,000 a month for Medicare and with our member. So, total is about $1,000, so we are highly motivated to ensure people do not progress along that disease curve. So, you will see when I talk about healthcare services in some of the services we provide, it is all wrapped around that concept of disease progression.

Actually, the member that comes in the first year, we usually lose money on, because we're investing in programs for them. I'll get in a second about this, but we have about 9,000 nurses that we have in our home health company. And what they do is, they go to people's home. We don't bill for it, it's not a service that we bill for, it's part of joining Humana, they will go to the home and check to make sure they have a ramp, make sure that if they just got discharged from a hospital, they have the right food, because we find readmissions as a result of lack of nutrition, are they taking their drugs, do they have a shower rail, so we are constantly trying to figure out, how do we help them in their day-to- day lifestyle, and it's all around this disease progression, and every chronic condition has these particular graph.

So, my last slide on the industry is just how the industry is evolving, and I know I'm talking about insurance. Insurance was originally created from an employer group point of view, where a few things were important, aggregate size to negotiate with providers to get a lower rate, and aggregate size to have broadness of choice for national employers. So, if you were IBM in here, you wanted to be able to offer a consistent product to every geographic location, so you needed someone to do that for you. And, that's really where the insurance market started from, and just has evolved since then.

What you are seeing happening because of the merging of chronic conditions and the realization that the ability to help somebody's health is in the best interest of society and it's actually a great business model. You are seeing the evolution move from a transactional kind of relationship with providers and customers to relationship that's much more advancing health. And so, you've heard a few comments today about value based reimbursement and moving this quality and cost to more of a payment as opposed to volume treatment base, more I do, the more I get paid. And this evolution is really occurring.

But the other part of that evolution is that we begin to start removing the friction points in the industry where people made it really hard to navigate through the healthcare system. And so, where we see us moving and as we think long-term, we're moving from the second top box to the top-box where the integration is just not about financial integration, but it's about process integration of data and the ability to flow through the system and take those friction points out of the system and make it easy.

I'll get to our goal in a minute as we said, well I tell you know. We set an enterprise goal in our company that goes something like this, that we improve the communities' health by 20%, by 2020 through making it easier for people to achieve the best health. And that goal really brings our business model together where we're trying to improve the communities' health, because health is a community base. We've set a goal, I'll get into that in a second of how we measure that goal, but we make it easier for people to achieve their best health. And we feel that if we can help each individual, personalized and focused on their needs, the community will also be successful. I'll get into that in a minute.

So, our business model is not an insurance business model, it's a healthcare business model, but it's really wrapped around health, because that disease progression is the core of what we're trying to get accomplished. Now let me talk a little bit about the Have.

Just a little basics on this, in fact in Washington today, this was a topic of conversation and I know the conversation, just a few hours ago, it's just not about coverage, it's about cost. If you think about our revenue, of the $54 billion, 85% of that is a medical cost. So, anything we do is really an expression of the cost of healthcare. In fact we're regulated that anytime that our cost go below 85%, we actually have to write a check back to the federal government and to our members. So, we're actually regulated.

So, if we can continue to drive down healthcare cost, we can make it more affordable. If we can make it more affordable and have a competitive advantage, we grow our membership. We don't have a demand problem. We have more of a cost problem. There is a lot of demand out there with the aging population and chronic conditions, we have a cost problem.

And so, everything we do is really wrapped around three things, it's wrapped around clinical programs and I'll get into those in a minute, around experience simplifying engagement with somebody and then the third is driving more efficiency within our system as a whole. How can we be more efficient and be able to provide better services back to our members?

We have five points of influence in our company that we focus on and these are really important parts of healthcare that we want to insert our self on and partner with. One is round prevention and wellness. Now this many of the people say is around running a marathon. That's not the case. It's about engaging with a diabetic for an eye exam. It's an example about a prevention and wellness, where you are really getting the right progression curve and getting early in the progression curve to stop blindness. And the more we can do that, the more we're going to help people.

Second part is primary care. We feel that primary care is the core of healthcare and makes a lot of decisions and have downstream whether its' the referral to a specialist to something to the hospital preventing ER visits. They are critical to the success of population health or value this reimbursement.

The third is pharmacy. We have about $20 billion pharmacy business in our organization and it is all around, how do we get people to follow their prescriptions. The most costly decision in healthcare is when people don't take the prescriptions. Something always bad happens. So the more we can help people adhere to their prescriptions, the stronger we are, the stronger society is, and the better the member is.

Other is home health, you heard a little bit about that before is moving people out of the institution to home. Maybe about 1 million members in our home-based service, it is all wrapped around people being comfortable where they are at providing their nurse care, even physician care at home, providing remote monitoring and other devices where you know that you are going to intercept on these.

Then lastly it's behavioral health. We have a belief that if you are not – if you are mental state isn't healthy, the physical health will not be healthy. So, if you look at all the places where we spend our money and effort, and innovation and all the things we do, is in these five areas.

If you look at the companies we own, how we partner, it all wraps around how do we bring these together not only from an individual point of view, but from a connectivity point of view.

This just gives you revenue, I mean our membership and as you can see this is just our Medicare membership, but demand is not a problem. This is our revenue overall, and this is our earnings per share, but I really want to turn – I'll talk about capital deployment and we have some stock buyback, but most important capital deployment is in our capital investment and our clinical capabilities. You will not probably see us buy and insurance company. You will continue to see us invest in home. We're doing a lot of investment in home, because we feel that's where the patients want to be and it's most cost effective.

Be a lot in the primary care area, both in investing and clinics we own, but also partnering, because what we believe in, is that partnering with providers is a very important part of what we do and an important part of the healthcare system. We don't believe that one company is going to solve the healthcare problem. It is going to be a partnership and integration across the healthcare system, behavioral health, continuing to build that. A lot of things in behavioral health are not only about the clinical side, but access.

In San Antonio, we did – we have divided our membership into personas, 15 different personas and those personas are how people engage in their health. So, we have a control seeker, we have an overwhelmed individual and what we found in San Antonio in certain personas is that, especially in the Hispanic culture, the behavioral health was a no-no. And access was really hard. So, we did this

through our innovation as broad virtual behavioral health in San Antonio and we have seen some great, great results from that.

The ability to engage in somebody in their home where they don't have to be embarrassed that if the culture doesn't support it, and in addition it's easy both for the provider and for the individual. And then lastly, continuing to build out our pharmacy capability to be at the front-line and be local. So, that when someone walks out or is in our, is in the home, we can provide little bit of dispensing at that time.

So we turn to our bold goal. I mentioned this is what really drove the organization and is driving the organization. And we measure it by healthy days. And healthy days' is a CDC measurement. They have been doing this for 25 years. We're actually the first company to embrace it. Because when we set this goal, I kept on asking the question, how are we going to measure it, tell me a time, and tell me the measurement we're going to measure and we came up – through a lot of research we came back and said healthy days is the best barometer and it's very simple.

There is four questions; there's questions about your mental health and your physical health. And our theory is, is that we could give you all the statistics about your health about your BMI, about your heart rate and all the other things, but if you don't feel healthy mentally and physically, we're not doing our job.

It's goes back to simplification gets back that engagement, gets back to also just how you are feeling. So what we did is, we set a goal in many different populations, our senior population is being the most important. And what you see is up here, the summation of the unhealthy days for our numbers and the population as whole.

We've seen about 10% improvement over the last two years in our healthy days or unhealthy days in this particular case. And the idea is, we are going to constantly measure how we're going to improve the health. But most importantly, we're also going to measure, how are we engaging with those individuals for them not only to be physically healthy, but also mentally healthy?

We've also done that with our associates and I hold my HR team responsible for improving the health of our associates. What you see here is, is our decline in non-healthy days for our members, I mean for our associates. What we've found is it's ironic is that, younger – the younger population 25 to 40 has more unhealthy mental days and physical days.

If you think about it, they got stress in their life, dual working, maybe not as much income as they would like, children running around, so their life is pretty chaotic. And so as we think about programs for a certain part of the associates, we think about how do we reduce the stress. As you age, it actually inverses. You physical health becomes a higher priority and your mental health. And what we've seen in the ability to alter this based on the segmentation in our population has been really helpful not only from a point of view of having an engaged population, which you can see up here, our engagement scores.

I want to put those engagement scores in context, because I think many of you know that we were in a prolonged merger with Aetna. Our engagement score stayed at 90% during a 21 month time during that merger. And how we said it, is that we had the positive dollars and or cookies in the cookie jar and being able to worry about our associates well-being, and that has paid off. And today, we see this – the constantly coming back there is two things that we always hear back from our associates first, the bold goal and our values.

Makes them proud, makes them want to come to work and that we walk the talk by worrying about their wellbeing and measuring their wellbeing. We had this thing called the Well-Being Index. Its' got four points to it, one point is the social side, one point is the financial side, one point is the health and one point is their work. And we measure that and each one of our leaders were held responsible for

that. So, we know and someone takes out a 401(k) loan, but their financial side isn't where it should be. And then we provide them obviously coaching and other matters like that to help them with that.

We know if they are active in some of the community events we have, they are social science. So we're constantly measuring this and we have found it to be a great engagement within our organization and a great important in productivity, but also a great way to hold talent.

Then lastly, I'll just end it and then I can open up for questions. We've won many awards. We're not an award driven company. This is just been an expression of our commitment to sustainability both in the environment also sustainability in our health.

So, I'll conclude by saying that our long-term view is, is that we continuously focus on improving our members health, and if we can do that, it's a great business model. And we're going to do it not – there are insurances as a way the revenue is generated, but we do it through our clinical capabilities and partnering with providers out there to advance that.

As it's really an evolution. I think of the healthcare system and I am very optimistic in the future that the healthcare system is going to move more from a treatment point of view to help fund. The demographics require it as well I think system requires it

With that, I'm going to close and I'll bring it up for questions, and if you have any questions, the drinks will be out there.

<<Unidentified Participant>>

Note quite Ed, few more minutes. Thank you for that. That was wonderful. Questions?

Q&A

<Q – Unidentified Analyst>: I guess you have ventures off in M&A and culture, you've talked a lot about your values on culture which was inspiring. How did that play out over the last couple of years with this merger situation?

<A – Bruce D. Broussard>: As I said, we've – it has really been the grounding of the organization. Our turnover rate has gone up and by about a percent or two during the period of time, but it has been the rate that has kept the organization going, and to me – we've had a few things that we've been constantly reminding our organization as one, keep the customer focus. All this other stuff is just static in the air, that's keep the customers in the focus.

The second is, no regret moves. Don't compromise the long-term for the short-term and we constantly ask, what is that node, what is that move and we've made a few acquisitions, we made a number of innovation on investment has always been focused on what is going to make the company if the deal closes, to be a strong company inside Aetna. And if it doesn't close, what's going to be the move that's going to make the Company strong independent plan, and today, we had a wonderful year in 2016. We are – we have some great things going on in 2017 innovation wise and we have a very, very excited company, and a company that people say, I just can't believe it, this company has been under those sort of environment for 21 months. So, it's been great, I mean hats off to our 50,000 associates. I mean it's been wonderful.

<Q – Unidentified Analyst>: And Daryl, I think you had a question. Mike is coming.

<Q>: Could you share any of the insights or what you heard there with the Group?

<A – Bruce D. Broussard>: I do think there is a desire to get this fixed, this fixed as ACA. This fixed is ACA, there is a referred to as a spiral going on as a result of that. So there is a high desire to get that

fixed. I think the details of that are still being worked out, but I would say that there is a high desire to get that fixed, and I think they will be coming out in days and weeks with details?

<Q>: Did you say that's fixable?

<A – Bruce D. Broussard>: It is fixable, let me say by it's going to have to really require some structural changes, and just in that, what really happened was accumulation of events that happened, that caused to scale where we're at. I'll just put in context, Humana has lost about $1.5 billion on the exchanges, and today about 10% of our members represent about 80% of our cost within the exchanges, not within new Medicare Advantage. So, it's highly – it's a population that we're requiring to use the healthcare system a lot, and there was accumulation things that happened.

One was, when the President Obama decided to keep your own plan, that kept all the – the all healthy out of the population, that was the first one. The second was the special election period, and that was – where they – these were periods where people could come into the program based on job change or some other life event, but there is 35 of them. The third was grace period that you could not pay. We were required to have a 90-day grace period, so if you didn't pay, you could still use the healthcare system for 90-days.

Then what ended up happening is people wouldn't pay on October 1, they would use the system and on January 1st, they'll just re-enroll, or they would just not – they would use all the healthcare and not pay, so we had those issues. That was along with some funding, the government didn't fund some programs were originally identified all created where we're at today and so what's happened is the healthy have stayed out, has got more and more expensive and so only the people that need the health insurance are going to get to buy. So you had this spiral going on, and to stop that spiral we got to structurally change it.

<Q>: Thank you.

<A – Bruce D. Broussard>: Thank you very much.

<<Unidentified Participant>>

I'm only going to take 90 more seconds of your time because that's we've used a lot of your time today. It's been so great. I've learned so much. I've learned more about healthcare than I think I ever thought I had learned about the integration of ESG factors into these plans. I appreciate everyone's help and advice in counsel. So, I want to just say, three things. Why is this important, what's next for SII, and how you can help?

So one of my favorite quotes is, I don't know why, it's such a depressing quote, but it's a Ben Franklin quote, that says, "the greatest miseries of mankind are caused by the false estimates they've placed on the value of things." So this was in 1780. So the false estimates they placed on the value of things. So, I think fundamentally there are two big problems and that we're trying to address there, big problems. First is, the mispricing of public companies overall, not all companies, the mispricing of public companies because we're too short-term focused. That's the first and that why this was started.

The second is, because of that or related to that short-term-ism, capital markets have failed to incorporate financially material environmental and social and corporate governance factors. So those are two big things. What we think this can be over time is these long-term plans could be a bridge from here to there, and we need to move quickly, and we need to do there like I said, we need to move trillions and we need to influence trillions. So how can you help? So the good news is, we've only been doing this for few months and we filled the room with 27 trillion and 59 CEOs today. So, I think that's a remarkable start, but we've just begun.

So, on September 19 will be round two. We'll have twice as many people, twice as many CEOs presenting and hopefully twice as money much AUM and people intended. So, this is beginning of a movement or sorts and we invite you kind of on this journey. We're also going to launch a center and I wanted to recognize Tim Youmans over there, stand up and he's done all the hard work. He's running our center.

I'd also like to recognize in fact everyone on the advisory board who is here today, stand up. I'd like to recognize those that have Tim Nixon, Amy, congratulations. Very good, Vanguard and also wanted to recognize all the folks from Vanguard, State Street, BlackRock that made the trip here today.

And lastly, I wanted recognize all the folks that are on the screen and there are probably about 20 or 30 organizations that we didn't mention there. And, I'd be remiss if I didn't recognize someone who has been a personal inspiration in perspiration for me I would say, one of the – everyone in the room knows Charlie Moore, and Charlie I'd like you stand up and just recognize all your leadership at CECP providing the seed that has sprung up to become this, I'm personally grateful and welcome your continued support, and actually we need everyone's help here. This is not going to be done by just you know if we need to push companies to do more, and we need to bring more investors to the table to reward true excellence and sustainable value creation and integration of ESG factors.

And I'm going to do one last thing that's going to get me in trouble, because I know these people are going to, figuring get really mad at me because of that, but I'd like to thank two organizations that if it wasn't for them, we wouldn't be here today. And so, I'd like to recognize the Ford Foundation and Graham MacMillan. I told you, you are not going to like it, small token of our appreciation. Thank you very much.

And someone who's going to hate this recognition even more than Graham is Clara Miller from the Heron Foundation and I would like to personally acknowledge and thank you for all that you have done. This thing, usually, it takes three years to get a foundation proposal reviewed. This thing happened in three months. I think to signal the power of what we're doing, so thank you Clara.