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## **COVENTRY HEALTH CARE COMPLETES \$600 MILLION, 10-YEAR SENIOR NOTES OFFERING**

BETHESDA, Md. (June 7, 2011) – Coventry Health Care, Inc. (NYSE: CVH) announced today that it has completed a \$600 million public offering of 5.45% Senior Notes due 2021. The company intends to use the net proceeds of this offering for the repayment, redemption, or repurchase of existing debt and for other general corporate purposes.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry's Annual Report on Form 10-K for the year ended December 31, 2010 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2011. Coventry undertakes no obligation to update or revise any forward-looking statements.

Coventry Health Care ([www.coventryhealthcare.com](http://www.coventryhealthcare.com)) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.



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## Coventry Health Care Reports First Quarter Earnings

BETHESDA, Md. (April 29, 2011) - Coventry Health Care, Inc. (NYSE: CVH) today reported consolidated operating results for the quarter ended March 31, 2011. Operating revenues totaled \$3.0 billion for the quarter with net earnings of \$110.2 million, or earnings per diluted share (EPS) of \$0.74. These results include EPS of \$0.08 from the Medicare Advantage Private Fee-for-Service (MA-PFFS) product.

“We are pleased to report a strong start to the year with performance across all seven of our core businesses meeting or exceeding our expectations,” said Allen F. Wise, chairman and chief executive officer of Coventry. “In addition, today we are increasing our 2011 EPS guidance driven by an improved revenue outlook coupled with SG&A leverage.”

### First Quarter 2011 Consolidated Highlights

- Revenues up 6.6% from the prior year quarter
- EPS up 12.1% from the prior year quarter
- Commercial risk membership of 1,636,000, an increase of 135,000 members from the prior year quarter
- Approximately \$750 million of deployable free cash at the parent at quarter-end
  - \$150.5 million payment into escrow for potential litigation settlement<sup>(1)</sup> made in February
- Repurchased 1.7 million shares for \$50.2 million during the quarter
  - Increased share repurchase authorization by 7.5 million shares
  - Total remaining share repurchase authorization of 11.0 million shares at quarter-end

(1) On February 2, 2011, in relation to a class action lawsuit filed by providers in Louisiana, the Company entered into a definitive settlement agreement with plaintiffs counsel and attorneys representing the provider class setting forth the settlement terms for an amount payable of \$150.5 million. Please refer to the Company’s Form 10-K for the year ended December 31, 2010 for more information, including certain contingencies that must be satisfied before the settlement becomes final.

## Selected First Quarter 2011 Highlights

- **Health Plan Commercial Risk.** As of March 31, 2011, health plan commercial risk membership was 1,636,000, an increase of 135,000 members from the prior year quarter. The health plan commercial group risk medical loss ratio (MLR) of 80.2% in the quarter was unchanged from the MLR reported in the prior year quarter.
- **Medicare Advantage.** As of March 31, 2011, Medicare Advantage Coordinated Care Plan (MA-CCP) membership was 219,000, an increase of 29,000 members from the prior year quarter, largely driven by the acquisition of Mercy Health Plans which closed on October 1, 2010. The MA-CCP MLR was 84.2% in the quarter, a decrease of 150 basis points (bps) from the prior year quarter. During the first quarter, the MA-PFFS product line contributed \$0.08 EPS. As previously announced, the Company did not renew this product line effective January 1, 2010.
- **Medicare Part D.** As of March 31, 2011, Medicare Part D membership was 1,159,000, a decrease of 441,000 members from the prior year quarter. The Medicare Part D MLR was 95.8% in the quarter, an increase of 50 bps from the prior year quarter.
- **Medicaid.** As of March 31, 2011, Medicaid membership was 468,000, an increase of 62,000 members from the prior year quarter, largely driven by entry into new markets in Nebraska and Pennsylvania during 2010. The Medicaid MLR was 86.0% in the quarter, an increase of 200 bps from the prior year quarter.

## **2011 FULL YEAR GUIDANCE**

- Risk revenue of \$10.50 billion to \$10.90 billion
- Management services revenue of \$1.175 billion to \$1.195 billion
- Consolidated revenue of \$11.675 billion to \$12.095 billion
- Consolidated MLR of 81.9% to 82.5%
- Cost of sales expense of \$264.0 million to \$271.0 million
- Selling, general, and administrative expense (SG&A) of \$2.00 billion to \$2.04 billion
- Depreciation and amortization expense of \$136.0 million to \$140.0 million
- Other income of \$74.0 million to \$78.0 million
- Interest expense of \$95.0 million to \$102.0 million
  - Includes projected interest expense that would result from any refinancing activities that the Company may pursue in advance of 2012 debt maturities
- Tax rate of 36.0% to 37.0%
- Diluted share count of 147.0 million to 149.0 million
- EPS of \$2.65 to \$2.85

Mr. Allen F. Wise, chairman and chief executive officer of Coventry, will host a conference call at 8:30 a.m. ET on Friday, April 29, 2011. To listen to the call, dial toll-free at (800) 316-8317 or, for international callers, (719) 325-2443. Callers will be asked to identify themselves and their affiliations. The conference call will also be webcast from Coventry's Investor Relations site at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its filings with the Securities and Exchange Commission. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 7228999.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance, including the guidance herein. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry's Annual Report on Form 10-K for the year ended December 31, 2010, and Coventry's subsequent filings with the Securities and Exchange Commission. Among the factors that may materially affect Coventry's business, operations or financial condition are the ability to accurately estimate and control future health care costs; the ability to increase premiums to offset increases in the Company's health care costs; general economic conditions and disruptions in the financial markets; changes in laws or regulations or government investigations; potential state guaranty fund assessments; changes in government funding and various other risks associated with our participation in Medicare and Medicaid programs; a reduction in the number of members in the Company's health plans; the Company's ability to acquire additional managed care businesses and the Company's ability to successfully integrate acquired businesses into its operations; an ability to attract new members or to increase or maintain premium rates; the non-renewal or termination of the Company's government contracts, or unsuccessful bids for business with government agencies; failure of the Company's independent agents and brokers to continue to market its products to employers; a failure to obtain cost-effective agreements with a sufficient number of providers that could result in higher medical costs and a decrease in membership; negative publicity regarding the managed health care industry generally or the Company in particular; a failure to effectively protect, maintain, and develop our information technology systems; periodic reviews, audits and investigations under the Company's contracts with federal and state government agencies; litigation, including litigation based on new or evolving legal theories; volatility in the Company's stock price and trading volume; the Company's indebtedness, which imposes certain restrictions on its business and operations; an inability to generate sufficient cash to service the Company's indebtedness; a substantial amount of Coventry's cash flow is generated by its regulated subsidiaries; the Company's certificate of incorporation and bylaws and Delaware law, which could delay, discourage or prevent a change in control of the Company that its stockholders may consider favorable; and an impairment of the Company's intangible assets. Coventry undertakes no obligation to update or revise any forward-looking statements.

Coventry Health Care ([www.coventryhealthcare.com](http://www.coventryhealthcare.com)) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.

**COVENTRY HEALTH CARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Amounts in thousands, except per share data)

	Quarters Ended March 31,	
	2011	2010
<b>Operating revenues:</b>	<b>(unaudited)</b>	<b>(unaudited)</b>
Managed care premiums	\$2,755,336	\$2,570,575
Management services	293,602	288,403
<b>Total operating revenues</b>	<b>3,048,938</b>	<b>2,858,978</b>
<b>Operating expenses:</b>		
Medical costs	2,275,161	2,114,343
Cost of sales	67,898	59,145
Selling, general, and administrative	498,590	494,905
Depreciation and amortization	35,816	35,519
<b>Total operating expenses</b>	<b>2,877,465</b>	<b>2,703,912</b>
<b>Operating earnings</b>	<b>171,473</b>	<b>155,066</b>
<b>Operating earnings percentage of total revenues</b>	<b>5.6%</b>	<b>5.4%</b>
Interest expense	20,038	20,130
Other income, net	19,469	20,287
Earnings before income taxes	170,904	155,223
Provision for income taxes	60,671	57,898
<b>Net earnings</b>	<b>\$ 110,233</b>	<b>\$ 97,325</b>
<b>Net earnings per share:</b>		
Basic earnings per share	\$ 0.75	\$ 0.67
Diluted earnings per share	\$ 0.74	\$ 0.66
Weighted average shares outstanding, basic	147,219	145,782
Weighted average shares outstanding, diluted	149,184	147,281

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)

	<u>March 31,</u> <u>2011</u>	<u>December 31,</u> <u>2010</u>
	<u>(unaudited)</u>	
<b>Assets:</b>		
Current assets:		
Cash and cash equivalents	\$ 1,358,531	\$ 1,853,988
Restricted cash – litigation escrow	150,500	-
Short-term investments	308,845	16,849
Accounts receivable, net	275,821	276,694
Other receivables, net	566,170	515,882
Other current assets	331,612	371,528
Total current assets	2,991,479	3,034,941
Long-term investments	2,349,200	2,184,606
Property and equipment, net	262,365	262,282
Goodwill	2,554,966	2,550,570
Other intangible assets, net	415,706	431,886
Other long-term assets	30,267	31,300
<b>Total assets</b>	<b>\$ 8,603,983</b>	<b>\$ 8,495,585</b>
 <b>Liabilities and Stockholders' Equity:</b>		
Current liabilities:		
Medical liabilities	\$ 1,307,378	\$ 1,237,690
Accounts payable and accrued liabilities	849,479	942,226
Deferred revenue	161,409	103,082
Current portion of long-term debt	233,903	-
Total current liabilities	2,552,169	2,282,998
Long-term debt	1,365,585	1,599,396
Other long-term liabilities	416,391	414,025
<b>Total liabilities</b>	<b>4,334,145</b>	<b>4,296,419</b>
<b>Stockholders' equity</b>	<b>4,269,838</b>	<b>4,199,166</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,603,983</b>	<b>\$ 8,495,585</b>

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Amounts in thousands)**  
**(unaudited)**

**Quarter Ended**  
**March 31, 2011**

**Cash flows from operating activities:**

Net earnings	\$	110,233
Adjustments to earnings:		
Depreciation and amortization		35,816
Amortization of stock compensation		8,227
Changes in assets and liabilities:		
Accounts receivable, net		1,693
Medical liabilities		68,942
Accounts payable and other accrued liabilities		(35,478)
Restricted cash – litigation escrow		(150,500)
Deferred revenue		58,409
Other operating activities		(68,728)
Net cash flows from operating activities		28,614

**Cash flows from investing activities:**

Capital expenditures, net		(19,658)
Payments for investments, net of sales and maturities		(463,320)
Net cash flows from investing activities		(482,978)

**Cash flows from financing activities:**

Proceeds from issuance of stock		8,865
Payments for repurchase of stock		(51,784)
Excess tax benefit from stock compensation		1,826
Net cash flows from financing activities		(41,093)

Net change in cash and cash equivalents for current period		(495,457)
Cash and cash equivalents at beginning of period		1,853,988
<b>Cash and cash equivalents at end of period</b>	<b>\$</b>	<b>1,358,531</b>

**Cash and Investments:**

Cash and cash equivalents	\$	1,358,531
Short-term investments		308,845
Long-term investments		2,349,200
Total cash and investments	\$	4,016,576

**COVENTRY HEALTH CARE, INC.**  
**SELECTED OPERATING STATISTICS**  
(Unaudited)

	Q1 2011	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
<b>Membership by Product (000s)</b>						
Health Plan Commercial Risk	1,636		1,641	1,533	1,522	1,501
Health Plan Commercial ASO	688		698	636	657	663
Medicare Advantage CCP	219		224	193	192	190
Medicaid Risk	468		468	462	413	406
<b>Health Plan Total</b>	<b>3,011</b>		<b>3,031</b>	<b>2,824</b>	<b>2,784</b>	<b>2,760</b>
Other National ASO	383		459	462	466	482
<b>Total Medical Membership</b>	<b>3,394</b>		<b>3,490</b>	<b>3,286</b>	<b>3,250</b>	<b>3,242</b>
Medicare Part D	1,159		1,628	1,618	1,631	1,600
<b>Total Membership</b>	<b>4,553</b>		<b>5,118</b>	<b>4,904</b>	<b>4,881</b>	<b>4,842</b>
<b>Revenues by Product Type (000s)</b>						
Commercial Risk	\$1,491,099	\$5,540,470	\$1,475,773	\$1,380,019	\$1,367,457	\$1,317,221
Commercial Management Services	77,842	327,084	81,861	79,869	82,395	82,957
Medicare Advantage	591,242	2,114,205	579,329	522,202	505,084	507,592
Medicaid Risk	311,066	1,133,353	312,359	286,762	268,460	265,771
<b>Total Health Plan and Medical Services Businesses</b>	<b>2,471,249</b>	<b>9,115,112</b>	<b>2,449,322</b>	<b>2,268,852</b>	<b>2,223,396</b>	<b>2,173,541</b>
Medicare Part D	358,445	1,604,198	357,941	348,784	423,664	473,809
Other Premiums	26,415	100,130	24,770	25,054	25,201	25,105
Other Management Services	218,141	856,072	215,279	215,185	217,706	207,904
<b>Total Specialized Managed Care Businesses</b>	<b>603,001</b>	<b>2,560,400</b>	<b>597,990</b>	<b>589,023</b>	<b>666,571</b>	<b>706,818</b>
Total Premiums	2,778,267	10,492,356	2,750,172	2,562,821	2,589,866	2,589,498
Total Management Services	295,983	1,183,156	297,140	295,054	300,101	290,861
Other/Eliminations	(25,312)	(87,596)	(22,296)	(22,094)	(21,826)	(21,381)
<b>Total Revenue</b>	<b>\$3,048,938</b>	<b>\$11,587,916</b>	<b>\$3,025,016</b>	<b>\$2,835,781</b>	<b>\$2,868,141</b>	<b>\$2,858,978</b>
<b>Consolidated Coventry</b>						
Operating Income % of Revenues	5.6%	5.9%	7.8%	10.3%	0.2%	5.4%
SGA % of Revenues	16.4%	16.9%	17.6%	17.0%	15.8%	17.3%
Total Health Plan Medical Liabilities (000s) <sup>(2)</sup>	\$ 1,087,137		\$1,021,667	\$ 952,810	\$1,026,355	\$ 979,173
Health Plan Days in Claims Payable (DCP) <sup>(2)</sup>	50.40		48.62	51.70	55.47	54.14
Total Debt (millions)	\$ 1,599.5		\$ 1,599.4	\$ 1,599.3	\$ 1,599.2	\$ 1,599.1
Total Capital (millions)	\$ 5,869.3		\$ 5,798.6	\$ 5,655.7	\$ 5,442.7	\$ 5,418.2
Debt to Capital	27.3%		27.6%	28.3%	29.4%	29.5%

**COVENTRY HEALTH CARE, INC.**  
**SELECTED REVENUE AND MEDICAL COST STATISTICS**  
**(Unaudited)**

	Q1 2011	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010
<b>Revenue PMPM</b>						
Health Plan Commercial Group Risk	\$320.97	\$314.58	\$316.34	\$315.82	\$313.92	\$312.05
Medicare Advantage <sup>(3), (4)</sup>	\$883.09	\$876.67	\$857.39	\$899.89	\$867.43	\$885.26
Medicare Part D <sup>(5)</sup>	\$ 90.86	\$ 87.96	\$ 85.74	\$ 87.56	\$ 90.49	\$ 88.05
Medicaid	\$221.16	\$218.98	\$223.54	\$215.51	\$217.77	\$218.76
<b>MLR%</b>						
Consolidated Total	82.6%	79.4%	79.0%	77.2%	79.1%	82.3%
Health Plan Commercial Group Risk	80.2%	79.2%	81.3%	76.8%	78.3%	80.2%
Medicare Advantage <sup>(4)</sup>	84.2%	82.0%	84.1%	77.0%	81.2%	85.7%
Medicare Part D	95.8%	83.7%	64.7%	79.0%	90.7%	95.3%
Medicaid	86.0%	85.7%	85.4%	89.0%	84.2%	84.0%

**Explanatory Notes**

- (2) “Total Health Plan Medical Liabilities” and “Health Plan Days in Claims Payable” are calculated consistent with prior disclosures to exclude MA-PFFS for all periods presented due to the Company’s non-renewal of this product line effective January 1, 2010. These statistics exclude the effect of the Preferred Health Systems acquisition for the first quarter of 2010 due to the timing of closing (February 1, 2010).
- (3) Revenue PMPM excludes the impact of revenue ceded to external parties.
- (4) Beginning with Q1 2010, Medicare Advantage revenue and medical cost statistics represent the MA-CCP business only as the Company did not renew the MA-PFFS product line effective January 1, 2010.
- (5) Revenue PMPM excludes the impact of CMS risk-share premium adjustments and revenue ceded to external parties.



**COVENTRY HEALTH CARE SCHEDULES RELEASE OF  
FIRST QUARTER 2011 FINANCIAL RESULTS**

BETHESDA, Md. (April 7, 2011) – Coventry Health Care, Inc. (NYSE: CVH) announced today that it will release first quarter 2011 financial results on Friday, April 29, 2011. Allen Wise, Coventry’s Chief Executive Officer, will be hosting a conference call at 8:30 a.m. ET on that day. To listen to the call, dial toll-free at 800-316-8317 or, for international callers, 719-325-2443. Callers will be asked to identify themselves and their affiliations.

The conference call will also be webcast from Coventry’s Investor Relations website at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its Securities and Exchange Commission filings. A replay of the call will be available for one week at 888-203-1112 or, for international callers, (719) 457-0820. The access code is 7228999.

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## Coventry Health Care Reports Fourth Quarter Earnings

BETHESDA, Md. (February 8, 2011) - Coventry Health Care, Inc. (NYSE: CVH) today reported consolidated operating results for the quarter and fiscal year ended December 31, 2010. Operating revenues totaled \$3.0 billion for the quarter with net earnings of \$150.3 million, or \$1.01 earnings per diluted share (EPS). These results include a favorable impact from the Medicare Advantage Private Fee-for-Service (MA-PFFS) product of \$0.05 EPS. Excluding the impact of MA-PFFS results<sup>(1)</sup>, core earnings for the quarter were \$142.1 million, or \$0.96 EPS.

For the year ended December 31, 2010, total operating revenues were \$11.6 billion with net earnings of \$438.6 million, or \$2.97 EPS. These results include a favorable impact from the MA-PFFS product of \$0.45 EPS and an unfavorable impact from the previously announced Louisiana provider class action litigation of \$1.18 EPS. Excluding the impact of MA-PFFS results<sup>(1)</sup> and the provider class action charge<sup>(2)</sup>, core earnings for the year were \$546.4 million, or \$3.70 EPS.

“I continue to be pleased with the fundamental performance of our seven core businesses which exceeded our expectations during 2010. This should position us well as we enter 2011, a year with unique challenges and opportunities as we implement healthcare reform mandates,” said Allen F. Wise, chairman and chief executive officer of Coventry. “More importantly, I am pleased with the long-term positioning of our core businesses including our health plans and our ability to seize opportunities and grow in 2012 and beyond.”

### Fourth Quarter 2010 Consolidated Highlights

- Closed the Mercy Health Plan acquisition on October 1, 2010, adding approximately 180,000 members and strengthening our position in the Midwest region
- Commercial risk membership of 1,641,000, an increase of 108,000 members sequentially
- Sequential membership growth in Medicare Advantage, Medicare Part D, and Medicaid
- Excellent liquidity position
  - Approximately \$850 million of deployable free cash at the parent
  - Debt to Capital of 27.6%

## Selected Fourth Quarter and Full Year 2010 Highlights

- **Health Plan Commercial Group Risk.** Reported commercial group risk premium yields rose to \$316.34 per member per month (PMPM) in the quarter, an increase of 3.1% from the prior year quarter. Reported commercial group risk premium yields rose to \$314.58 PMPM for the full year, an increase of 4.3% from the prior full year. The health plan commercial group risk medical loss ratio (MLR) was 81.3% in the quarter, a decrease of 160 basis points (bps) from the prior year quarter. The health plan commercial group risk MLR was 79.2% for the full year, a decrease of 270 bps from the prior full year.
- **Medicare Advantage.** As of December 31, 2010, Medicare Advantage Coordinated Care Plan (MA-CCP) membership was 224,000, an increase of 38,000 members from the prior year quarter, largely driven by the acquisition of Mercy Health Plans which closed on October 1, 2010. The MA-CCP MLR was 84.1% in the quarter and 82.0% for the full year. During the fourth quarter, the MA-PFFS product line contributed \$0.05 EPS largely due to favorable medical cost experience during the claims run-out process. When combined with the \$0.40 EPS contribution reported through the third quarter, the total full year contribution from the MA-PFFS product line was \$0.45 EPS. As previously announced, the Company did not renew this product line effective January 1, 2010.
- **Medicare Part D.** As of December 31, 2010, Medicare Part D membership was 1,628,000, a decrease of 55,000 members from the prior year quarter. The Medicare Part D MLR was 64.7% in the quarter, an increase of 30 bps from the prior year quarter. The Medicare Part D MLR was 83.7% for the full year, a decrease of 200 bps from the prior full year.
- **Medicaid.** As of December 31, 2010, Medicaid membership was 468,000, an increase of 66,000 members from the prior year quarter, largely driven by new markets in Nebraska and Pennsylvania. The Medicaid MLR was 85.4% in the quarter, a decrease of 40 bps from the prior year quarter. The Medicaid MLR was 85.7% for the full year, a decrease of 190 bps from the prior full year.

## 2011 FULL YEAR GUIDANCE

- Risk revenue of \$10.35 billion to \$10.80 billion
- Management services revenue of \$1.16 billion to \$1.19 billion
- Consolidated revenue of \$11.51 billion to \$11.99 billion
- Consolidated MLR of 82.0% to 82.8%
- Cost of sales expense of \$255.0 million to \$263.0 million
- Selling, general, and administrative expense (SG&A) of \$2.00 billion to \$2.04 billion
- Depreciation and amortization expense of \$135.0 million to \$141.0 million
- Other income of \$69.0 million to \$74.0 million
- Interest expense of \$80.0 million to \$85.0 million
- Tax rate of 36.0% to 37.0%
- Diluted share count of 147.0 million to 150.0 million
- EPS of \$2.50 to \$2.70

## RECONCILIATION OF 2010 GAAP EPS TO 2010 CORE EPS

<b>2010 GAAP EPS</b>	<b>\$2.97</b>
Remove favorable impact of MA-PFFS <sup>(1)</sup>	(\$0.45)
Remove unfavorable impact of litigation charge <sup>(2)</sup>	\$1.18
<b>2010 Core EPS</b>	<b>\$3.70</b>

## RECONCILIATION OF 2010 CORE EPS TO 2011 EPS GUIDANCE MIDPOINTS

<b>2010 Core EPS</b>	<b>\$3.70</b>
Increase in commercial group MLR from 79.2% in 2010 to a range of 81% +/- 50 bps in 2011	(\$0.43)
Increase in individual MLR from 66% in 2010 to a range of 76% +/- 100 bps in 2011	(\$0.15)
Gross margin reduction for loss of approximately 500,000 Medicare Part D members in 2011	(\$0.34)
Reset of MA-CCP MLR from 82.0% to 2011 bid levels in the mid 80%'s	(\$0.28)
All other, net	\$0.10
<b>Midpoint of 2011 EPS Guidance</b>	<b>\$2.60</b>

## ADDITIONAL SELECTED ASSUMPTIONS FOR 2011 GUIDANCE

- Commercial risk membership flat to slightly down
- Stable fee based businesses
- Medicaid membership growth percentage in the mid single digits
- Medicaid MLR in the high 80%'s
- Stable Medicare Part D MLR
- Guidance does not assume any further impact from capital deployment activities

Mr. Allen F. Wise, chairman and chief executive officer of Coventry, will host a conference call at 8:00 a.m. ET on Tuesday, February 8, 2011. To listen to the call, dial toll-free at (877) 852-6578 or, for international callers, (719) 325-4803. Callers will be asked to identify themselves and their affiliations. The conference call will also be webcast from Coventry's Investor Relations site at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its filings with the Securities and Exchange Commission. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 4643959.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance, including the guidance herein. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry's Annual Report on Form 10-K for the year ended December 31, 2009 and Coventry's subsequent filings with the Securities and Exchange Commission. Among the factors that may materially affect Coventry's business, operations or financial condition are the ability to accurately estimate and control future health care costs; the ability to increase premiums to offset increases in the Company's health care costs; general economic conditions and disruptions in the financial markets; changes in laws or regulations or government investigations; changes in government funding for Medicare and Medicaid; a reduction in the number of members in the Company's health plans; the Company's ability to acquire additional managed care businesses and the Company's ability to successfully integrate acquired businesses into its operations; an ability to attract new members or to increase or maintain premium rates; the non-renewal or termination of the Company's government contracts, or unsuccessful bids for business with government agencies; failure of the Company's independent agents and brokers to continue to market its products to employers; a failure to obtain cost-effective agreements with a sufficient number of providers that could result in higher medical costs and a decrease in membership; negative publicity regarding the managed health care industry generally or the Company in particular; a failure to effectively protect, maintain, and develop our information technology systems; periodic reviews, audits and investigations under the Company's contracts with federal and state government agencies; litigation, including litigation based on new or evolving legal theories; volatility in the Company's stock price and trading volume; the Company's indebtedness, which imposes certain restrictions on its business and operations; an inability to generate sufficient cash to service the Company's indebtedness; the Company's certificate of incorporation and bylaws and Delaware law, which could delay, discourage or prevent a change in control of the Company that its stockholders may consider favorable; and an impairment of the Company's intangible assets. Coventry undertakes no obligation to update or revise any forward-looking statements.

Coventry Health Care ([www.coventryhealthcare.com](http://www.coventryhealthcare.com)) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.

**COVENTRY HEALTH CARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Amounts in thousands, except per share data)

	Quarters Ended December 31,		Years Ended December 31,	
	2010 (unaudited)	2009 (unaudited)	2010 (unaudited)	2009 (unaudited)
<b>Operating revenues:</b>				
Managed care premiums	\$ 2,730,377	\$ 3,121,527	\$10,414,640	\$12,717,399
Management services	294,639	306,620	1,173,276	1,186,127
<b>Total operating revenues</b>	<b>3,025,016</b>	<b>3,428,147</b>	<b>11,587,916</b>	<b>13,903,526</b>
<b>Operating expenses:</b>				
Medical costs	2,156,033	2,598,291	8,265,947	10,859,394
Cost of sales	64,152	62,548	252,052	240,828
Selling, general, administrative	531,442	544,656	1,961,947	2,151,799
Charge for provider class action	-	-	278,000	-
Depreciation and amortization	36,343	39,246	140,685	149,554
<b>Total operating expenses</b>	<b>2,787,970</b>	<b>3,244,741</b>	<b>10,898,631</b>	<b>13,401,575</b>
<b>Operating earnings</b>	<b>237,046</b>	<b>183,406</b>	<b>689,285</b>	<b>501,951</b>
<b>Operating earnings percentage of total revenues</b>	<b>7.8%</b>	<b>5.4%</b>	<b>5.9%</b>	<b>3.6%</b>
Interest expense	19,705	20,272	80,418	84,875
Other income, net	18,505	17,704	77,667	87,478
Earnings before income taxes	235,846	180,838	686,534	504,554
Provision for income taxes	85,520	71,758	247,918	189,220
<b>Income from continuing operations</b>	<b>150,326</b>	<b>109,080</b>	<b>438,616</b>	<b>315,334</b>
<b>Discontinued operations:</b>				
Loss from discontinued operations	-	-	-	(62,278)
Provision for income taxes	-	-	-	10,755
<b>Loss from discontinued operations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(73,033)</b>
<b>Net earnings</b>	<b>\$ 150,326</b>	<b>\$ 109,080</b>	<b>\$ 438,616</b>	<b>\$ 242,301</b>
<b>Net earnings per share:</b>				
Basic earnings per share from continuing operations	\$ 1.02	\$ 0.75	\$ 3.00	\$ 2.15
Basic loss per share from discontinued operations	-	-	-	(0.50)
Total basic earnings per share	<u>\$ 1.02</u>	<u>\$ 0.75</u>	<u>\$ 3.00</u>	<u>\$ 1.65</u>
Diluted earnings per share from continuing operations	\$ 1.01	\$ 0.74	\$ 2.97	\$ 2.14
Diluted loss per share from discontinued operations	-	-	-	(0.50)
Total diluted earnings per share	<u>\$ 1.01</u>	<u>\$ 0.74</u>	<u>\$ 2.97</u>	<u>\$ 1.64</u>
Weighted average shares outstanding, basic	146,775	145,751	146,169	146,652
Weighted average shares outstanding, diluted	148,430	146,885	147,579	147,395

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)

	<u>December 31, 2010</u>	<u>September 30, 2010</u>	<u>December 31, 2009</u>
	(unaudited)	(unaudited)	
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,853,988	\$ 1,786,587	\$ 1,418,554
Short-term investments	16,849	15,093	442,106
Accounts receivable, net	276,694	280,834	258,993
Other receivables, net	515,882	422,878	496,059
Other current assets	371,528	331,875	234,446
<b>Total current assets</b>	<b>3,034,941</b>	<b>2,837,267</b>	<b>2,850,158</b>
Long-term investments	2,184,606	2,278,844	1,994,987
Property and equipment, net	262,282	258,059	271,931
Goodwill	2,550,570	2,545,241	2,529,284
Other intangible assets, net	431,886	432,991	471,693
Other long-term assets	31,300	31,995	48,479
<b>Total assets</b>	<b>\$ 8,495,585</b>	<b>\$ 8,384,397</b>	<b>\$ 8,166,532</b>
<b>Liabilities and Stockholders' Equity:</b>			
Current liabilities:			
Medical liabilities	\$ 1,237,690	\$ 1,241,346	\$ 1,605,407
Accounts payable and accrued liabilities	942,226	927,127	682,171
Deferred revenue	103,082	120,932	110,855
<b>Total current liabilities</b>	<b>2,282,998</b>	<b>2,289,405</b>	<b>2,398,433</b>
Long-term debt	1,599,396	1,599,304	1,599,027
Other long-term liabilities	414,025	439,299	456,518
<b>Total liabilities</b>	<b>4,296,419</b>	<b>4,328,008</b>	<b>4,453,978</b>
<b>Stockholders' equity</b>	<b>4,199,166</b>	<b>4,056,389</b>	<b>3,712,554</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,495,585</b>	<b>\$ 8,384,397</b>	<b>\$ 8,166,532</b>

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)  
(unaudited)

	<u>Quarter Ended</u> <u>December 31, 2010</u>	<u>Year Ended</u> <u>December 31, 2010</u>
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 150,326	\$ 438,616
Adjustments to earnings:		
Depreciation and amortization	36,343	140,685
Deferred income tax benefit	(27,364)	(130,749)
Amortization of stock compensation	9,387	40,532
Charge for provider class action	-	278,000
Changes in assets and liabilities:		
Accounts receivable, net	10,252	(2,389)
Medical liabilities	(36,362)	(439,265)
Accounts payable and other accrued liabilities	7,914	(46,174)
Deferred revenue	(21,999)	(15,548)
Other operating activities	(77,471)	8,544
<b>Net cash flows from operating activities</b>	<b>51,026</b>	<b>272,252</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures, net	(21,877)	(63,257)
Proceeds from investments, net of purchases	54,238	315,274
Payments for acquisitions, net of cash acquired	(31,559)	(102,356)
<b>Net cash flows from investing activities</b>	<b>802</b>	<b>149,661</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of stock	14,053	15,484
Payments for repurchase of stock	(394)	(4,888)
Excess tax benefit from stock compensation	1,914	2,925
<b>Net cash flows from financing activities</b>	<b>15,573</b>	<b>13,521</b>
Net change in cash and cash equivalents for current period	67,401	435,434
Cash and cash equivalents at beginning of period	1,786,587	1,418,554
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,853,988</b>	<b>\$ 1,853,988</b>
<b>Cash and Investments:</b>		
Cash and cash equivalents	\$ 1,853,988	\$ 1,853,988
Short-term investments	16,849	16,849
Long-term investments	2,184,606	2,184,606
<b>Total cash and investments</b>	<b>\$ 4,055,443</b>	<b>\$ 4,055,443</b>

**COVENTRY HEALTH CARE, INC.**  
**SELECTED OPERATING STATISTICS**  
(Unaudited)

	Total 2010	Q4 2010	Q3 2010	Q2 2010	Q1 2010	Total 2009
<b>Membership by Product (000s)</b>						
Health Plan Commercial Risk		1,641	1,533	1,522	1,501	1,418
Health Plan Commercial ASO		698	636	657	663	685
Medicare Advantage CCP		224	193	192	190	186
Medicaid Risk		468	462	413	406	402
<b>Health Plan Total</b>		<b>3,031</b>	<b>2,824</b>	<b>2,784</b>	<b>2,760</b>	<b>2,691</b>
Medicare Advantage PFFS		-	-	-	-	329
Other National Risk		-	-	-	-	2
Other National ASO		459	462	466	482	564
<b>Total Medical Membership</b>		<b>3,490</b>	<b>3,286</b>	<b>3,250</b>	<b>3,242</b>	<b>3,586</b>
Medicare Part D		1,628	1,618	1,631	1,600	1,683
<b>Total Membership</b>		<b>5,118</b>	<b>4,904</b>	<b>4,881</b>	<b>4,842</b>	<b>5,269</b>
<b>Revenues by Product Type (000s)<sup>(3)</sup></b>						
Commercial Risk	\$5,540,470	\$1,475,773	\$1,380,019	\$1,367,457	\$1,317,221	\$5,174,772
Commercial Management Services	327,084	81,861	79,869	82,395	82,957	346,042
Medicare Advantage	2,114,205	579,329	522,202	505,084	507,592	4,901,918
Medicaid Risk	1,133,353	312,359	286,762	268,460	265,771	1,066,231
<b>Total Health Plan and Medical Services Businesses</b>	<b>9,115,112</b>	<b>2,449,322</b>	<b>2,268,852</b>	<b>2,223,396</b>	<b>2,173,541</b>	<b>11,488,963</b>
Medicare Part D	1,604,198	357,941	348,784	423,664	473,809	1,545,858
Other Premiums	100,130	24,770	25,054	25,201	25,105	94,562
Other Management Services	856,072	215,279	215,185	217,706	207,904	850,184
<b>Total Specialized Managed Care Businesses</b>	<b>2,560,400</b>	<b>597,990</b>	<b>589,023</b>	<b>666,571</b>	<b>706,818</b>	<b>2,490,604</b>
Total Premiums	10,492,356	2,750,172	2,562,821	2,589,866	2,589,498	12,783,341
Total Management Services	1,183,156	297,140	295,054	300,101	290,861	1,196,226
Other/Eliminations	(87,596)	(22,296)	(22,094)	(21,826)	(21,381)	(76,041)
<b>Total Revenue</b>	<b>\$11,587,916</b>	<b>\$3,025,016</b>	<b>\$2,835,781</b>	<b>\$2,868,141</b>	<b>\$2,858,978</b>	<b>\$13,903,526</b>
<b>Consolidated Coventry<sup>(3)</sup></b>						
Operating Income % of Revenues	5.9%	7.8%	10.3%	0.2%	5.4%	3.6%
SGA % of Revenues	16.9%	17.6%	17.0%	15.8%	17.3%	15.5%
Total Health Plan Medical Liabilities (000s) <sup>(4)</sup>		\$1,021,667	\$ 952,810	\$1,026,355	\$ 979,173	\$ 900,402
Health Plan Days in Claims Payable (DCP) <sup>(4)</sup>		48.62	51.70	55.47	54.14	49.45
Total Debt (millions)		\$ 1,599.4	\$ 1,599.3	\$ 1,599.2	\$ 1,599.1	\$1,599.0
Total Capital (millions)		\$ 5,798.6	\$ 5,655.7	\$ 5,442.7	\$ 5,418.2	\$5,311.6
Debt to Capital		27.6%	28.3%	29.4%	29.5%	30.1%

**COVENTRY HEALTH CARE, INC.**  
**SELECTED REVENUE AND MEDICAL COST STATISTICS**  
**(Unaudited)**

	<b>Total 2010</b>	<b>Q4 2010</b>	<b>Q3 2010</b>	<b>Q2 2010</b>	<b>Q1 2010</b>	<b>Total 2009</b>
<b>Revenue PMPM</b>						
Health Plan Commercial Group Risk	\$314.58	\$316.34	\$315.82	\$313.92	\$312.05	\$301.63
Medicare Advantage <sup>(5), (6)</sup>	\$876.67	\$857.39	\$899.89	\$867.43	\$885.26	\$855.16
Medicare Part D <sup>(7)</sup>	\$ 87.96	\$ 85.74	\$ 87.56	\$ 90.49	\$ 88.05	\$ 84.40
Medicaid	\$218.98	\$223.54	\$215.51	\$217.77	\$218.76	\$229.94
<b>MLR%</b>						
Consolidated Total	79.4%	79.0%	77.2%	79.1%	82.3%	85.4%
Health Plan Commercial Group Risk	79.2%	81.3%	76.8%	78.3%	80.2%	81.9%
Medicare Advantage <sup>(6)</sup>	82.0%	84.1%	77.0%	81.2%	85.7%	89.9%
Medicare Part D	83.7%	64.7%	79.0%	90.7%	95.3%	85.7%
Medicaid	85.7%	85.4%	89.0%	84.2%	84.0%	87.6%

**Explanatory Notes**

- (1) The Company did not renew the MA-PFFS product line effective January 1, 2010 and is in the process of paying claims liabilities related to prior dates of service. The Company believes that disclosing adjusted earnings, which exclude the 2010 impact of the MA-PFFS results, provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance.
- (2) On July 2, 2010, the Company announced that it would incur a non-recurring pre-tax charge to earnings in the second quarter of 2010 in the amount of \$278 million, or \$1.18 EPS, related to a class action lawsuit filed by providers in Louisiana. The Company believes that disclosing adjusted earnings, which exclude the impact of this litigation, provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance. As previously reported on December 6, 2010, the Company entered into a Memorandum of Understanding with plaintiffs counsel and the provider class setting forth the settlement terms to reduce the amount payable to \$150.5 million. On February 2, 2011, the parties executed a definitive settlement agreement, acceptable to the Company, which incorporated the terms and conditions set forth in the Memorandum of Understanding. Given various contingencies such as court approvals and class acceptance of settlement provisions which must be satisfied before the settlement becomes final, no reduction has been made to the previously recorded amount. Please refer to the Company's Form 8-k dated December 10, 2010 for more information.
- (3) Operating statistics excluding discontinued operations.
- (4) "Total Health Plan Medical Liabilities" and "Health Plan Days in Claims Payable" are calculated consistent with prior disclosures to exclude MA-PFFS for all periods presented due to the Company's non-renewal of this product line effective January 1, 2010. These statistics exclude the effect of the Preferred Health Systems ("PHS") acquisition for the first quarter of 2010 due to the timing of closing (February 1, 2010).
- (5) Revenue PMPM excludes the impact of revenue ceded to external parties.
- (6) Beginning with Q1 2010, Medicare Advantage revenue and medical cost statistics represent the MA-CCP business only as the Company did not renew the MA-PFFS product line effective January 1, 2010.
- (7) Revenue PMPM excludes the impact of CMS risk-share premium adjustments and revenue ceded to external parties.



**COVENTRY HEALTH CARE SCHEDULES RELEASE OF  
FOURTH QUARTER 2010 FINANCIAL RESULTS**

BETHESDA, Md. (January 13, 2011) – Coventry Health Care, Inc. (NYSE: CVH) announced today that it will release fourth quarter 2010 financial results on Tuesday, February 8, 2011. Allen Wise, Coventry’s Chief Executive Officer, will be hosting a conference call at 8:00 a.m. ET on that day. To listen to the call, dial toll-free at (877) 852-6578 or, for international callers, (719) 325-4803. Callers will be asked to identify themselves and their affiliations.

The conference call will also be webcast from Coventry’s Investor Relations website at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its Securities and Exchange Commission filings. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 4643959.

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## Coventry Health Care Reports Third Quarter Earnings

BETHESDA, Md. (November 5, 2010) - Coventry Health Care, Inc. (NYSE: CVH) today reported consolidated operating results for the quarter ended September 30, 2010. Operating revenues totaled \$2.8 billion for the quarter with net earnings of \$189.9 million, or \$1.29 earnings per diluted share (EPS). These results include a favorable impact from the Medicare Advantage Private Fee-for-Service (MA-PFFS) product of \$0.05 EPS. Excluding the impact of MA-PFFS results<sup>(1)</sup>, earnings for the quarter were \$183.2 million, or \$1.24 EPS. Additionally, the Company has increased guidance for full year 2010 as detailed on page 3.

“I am pleased with the fundamental performance of our businesses which will serve as a foundation to successfully compete in a changing landscape,” said Allen F. Wise, chairman and chief executive officer of Coventry. “In addition, our two recent acquisitions are off to a good start both operationally and financially and more importantly we are collaborating with creative hospital systems to create products and models to better care for our members and their patients.”

### Consolidated Highlights

- Commercial risk membership of 1,533,000, an organic increase of 11,000 members sequentially
- Medicaid membership of 462,000, an organic increase of 49,000 members sequentially
  - Commenced operations with the Nebraska Department of Health & Human Services on August 1<sup>st</sup>
- Closed the previously announced Mercy Health Plans acquisition on October 1<sup>st</sup>
- GAAP cash flows from operations were \$287.3 million, or 151% of net income in the quarter
- Approximately \$650 million of deployable free cash at the parent at quarter-end after deducting the Mercy Health Plans acquisition payment on October 1<sup>st</sup>

(1) The Company did not renew the MA-PFFS product line effective January 1, 2010 and is in the process of paying claims liabilities related to prior dates of service. The Company believes that disclosing adjusted earnings figures which exclude the 2010 impact of the MA-PFFS results provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance.

## Selected Third Quarter 2010 Highlights

- **Health Plan Commercial Group Risk.** Reported commercial group risk premium yields rose to \$315.82 per member per month (PMPM) in the quarter, an increase of 3.8% from the prior year quarter. Reported commercial group risk premium yields rose to \$313.95 PMPM year-to-date, an increase of 4.6% from the prior year-to-date. The health plan commercial group risk MLR was 76.8% in the quarter.
- **Medicare Advantage.** As of September 30, 2010, Medicare Advantage Coordinated Care Plan (MA-CCP) membership was 193,000, an increase of 8,000 members from the prior year quarter. The MA-CCP MLR was 77.0% in the quarter. During the third quarter, the MA-PFFS product line contributed \$0.05 EPS largely due to favorable medical cost experience during the claims run-out process. When combined with the \$0.35 EPS contribution reported through the second quarter, the total year-to-date contribution from the MA-PFFS product line was \$0.40 EPS. As previously announced, the Company did not renew this product line effective January 1, 2010.
- **Medicare Part D.** As of September 30, 2010, Medicare Part D membership was 1,618,000, a decrease of 18,000 members from the prior year quarter. The Medicare Part D MLR was 79.0% in the quarter, a decrease of 40 basis points from the prior year quarter. The Medicare Part D MLR was 89.2% year-to-date, a decrease of 270 basis points from the third quarter 2009 year-to-date.
- **Medicaid.** As of September 30, 2010, Medicaid membership was 462,000, an increase of 71,000 members from the prior year quarter. Coventry commenced operations in Nebraska during the third quarter which contributed 47,000 new members. The Medicaid MLR was 89.0% in the quarter.

## 2010 Full Year Guidance

- Risk revenue of \$10.300 billion to \$10.500 billion
- Management services revenue of \$1.165 billion to \$1.180 billion
- Consolidated revenue of \$11.465 billion to \$11.680 billion
- Consolidated MLR of 79.6% to 80.1%
- Cost of sales expense of \$245.0 million to \$255.0 million
- Selling, general, and administrative expense (SG&A) of \$1.94 billion to \$1.96 billion
- Charge for provider class action of \$278.0 million
- Depreciation and amortization expense of \$139.0 million to \$143.0 million
- Other income of \$75.0 million to \$79.0 million
- Interest expense of \$79.0 million to \$83.0 million
- Tax rate of 36.0% to 36.5%
- Diluted share count of 147.0 million to 147.5 million
- EPS of \$2.74 to \$2.84

### GUIDANCE PROGRESSION TABLE

	Guidance Provided as of:		
	April 30, 2010	July 30, 2010	September 30, 2010
<b>GAAP EPS range</b>	<b>\$2.35 - \$2.50</b>	<b>\$1.72 - \$1.87</b>	<b>\$2.74 - \$2.84</b>
Remove unfavorable impact of litigation charge <sup>(2)</sup>	-	\$1.18	\$1.18
<b>Adjusted EPS range excluding litigation charge</b>	<b>\$2.35 - \$2.50</b>	<b>\$2.90 - \$3.05</b>	<b>\$3.92 - \$4.02</b>
Remove favorable impact of MA-PFFS <sup>(1)</sup>	(\$0.17)	(\$0.35)	(\$0.40)
<b>Adjusted core EPS range</b>	<b>\$2.18 - \$2.33</b>	<b>\$2.55 - \$2.70</b>	<b>\$3.52 - \$3.62</b>

Mr. Allen F. Wise, chairman and chief executive officer of Coventry, will host a conference call at 8:30 a.m. ET on Friday, November 5, 2010. To listen to the call, dial toll-free at (877) 591-4959 or, for international callers, (719) 325-4748. Callers will be asked to identify themselves and their affiliations. The conference call will also be webcast from Coventry's Investor Relations site at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its filings with the Securities and Exchange Commission. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 5680841.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry's Annual Report on Form 10-K for the year ended December 31, 2009 and Coventry's Form 10-Q for the quarter ended June 30, 2010. Coventry undertakes no obligation to update or revise any forward-looking statements.

Coventry Health Care ([www.coventryhealthcare.com](http://www.coventryhealthcare.com)) is a diversified national managed healthcare company based in Bethesda, Maryland, operating health plans, insurance companies, network rental and workers' compensation services companies. Coventry provides a full range of risk and fee-based managed care products and services to a broad cross section of individuals, employer and government-funded groups, government agencies, and other insurance carriers and administrators.

(2) On July 2, 2010, the Company announced that it will incur a non-recurring pre-tax charge to earnings in the second quarter of 2010 in the amount of \$278 million related to class action litigation with providers in Louisiana, or \$1.18 per share related to such litigation. The Company believes that disclosing adjusted earnings figures which exclude the impact of this litigation provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance.

**COVENTRY HEALTH CARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Amounts in thousands, except per share data)

	Quarters Ended		Nine Months Ended	
	September 30,		September 30,	
	2010	2009	2010	2009
<b>Operating revenues:</b>	(unaudited)		(unaudited)	
Managed care premiums	\$ 2,543,180	\$ 3,153,142	\$ 7,684,263	\$ 9,595,872
Management services	292,601	290,968	878,637	879,507
<b>Total operating revenues</b>	<b>2,835,781</b>	<b>3,444,110</b>	<b>8,562,900</b>	<b>10,475,379</b>
<b>Operating expenses:</b>				
Medical costs	1,963,016	2,661,131	6,109,914	8,261,102
Cost of sales	64,638	62,384	187,900	178,280
Selling, general, administrative	481,345	527,173	1,430,505	1,607,142
Charge for provider class action	-	-	278,000	-
Depreciation and amortization	34,839	40,660	104,342	110,309
<b>Total operating expenses</b>	<b>2,543,838</b>	<b>3,291,348</b>	<b>8,110,661</b>	<b>10,156,833</b>
<b>Operating earnings</b>	<b>291,943</b>	<b>152,762</b>	<b>452,239</b>	<b>318,546</b>
<b>Operating earnings percentage of total revenues</b>	<b>10.3%</b>	<b>4.4%</b>	<b>5.3%</b>	<b>3.0%</b>
Interest expense	20,388	20,697	60,713	64,603
Other income, net	20,667	18,012	59,162	69,773
Earnings before income taxes	292,222	150,077	450,688	323,716
Provision for income taxes	102,277	49,638	162,398	117,462
<b>Income from continuing operations</b>	<b>189,945</b>	<b>100,439</b>	<b>288,290</b>	<b>206,254</b>
<b>Discontinued operations:</b>				
Loss from discontinued operations	-	(6,378)	-	(62,278)
Provision for income taxes	-	23,432	-	10,755
<b>Loss from discontinued operations</b>	<b>-</b>	<b>(29,810)</b>	<b>-</b>	<b>(73,033)</b>
<b>Net earnings</b>	<b>\$ 189,945</b>	<b>\$ 70,629</b>	<b>\$ 288,290</b>	<b>\$ 133,221</b>
<b>Net earnings per share:</b>				
Basic earnings per share from continuing operations	\$ 1.30	\$ 0.68	\$ 1.98	\$ 1.40
Basic loss per share from discontinued operations	-	(0.20)	-	(0.50)
Total basic earnings per share	\$ 1.30	\$ 0.48	\$ 1.98	\$ 0.90
Diluted earnings per share from continuing operations	\$ 1.29	\$ 0.68	\$ 1.96	\$ 1.40
Diluted loss per share from discontinued operations	-	(0.20)	-	(0.50)
Total diluted earnings per share	\$ 1.29	\$ 0.48	\$ 1.96	\$ 0.90
Weighted average shares outstanding, basic	146,167	147,062	145,965	146,956
Weighted average shares outstanding, diluted	147,294	147,784	147,293	147,569

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)

	<u>September 30,</u> <u>2010</u> (unaudited)	<u>June 30,</u> <u>2010</u> (unaudited)	<u>December 31,</u> <u>2009</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,786,587	\$ 1,495,414	\$ 1,418,554
Short-term investments	15,093	16,011	442,106
Accounts receivable, net	280,834	271,108	258,993
Other receivables, net	422,878	499,457	496,059
Other current assets	331,875	338,131	234,446
<b>Total current assets</b>	<b>2,837,267</b>	<b>2,620,121</b>	<b>2,850,158</b>
Long-term investments	2,278,844	2,285,411	1,994,987
Property and equipment, net	258,059	258,503	271,931
Goodwill	2,545,241	2,546,351	2,529,284
Other intangible assets, net	432,991	448,948	471,693
Other long-term assets	31,995	32,454	48,479
<b>Total assets</b>	<b>\$ 8,384,397</b>	<b>\$ 8,191,788</b>	<b>\$ 8,166,532</b>
<b>Liabilities and Stockholders' Equity:</b>			
Current liabilities:			
Medical liabilities	\$ 1,241,346	\$ 1,353,268	\$ 1,605,407
Accounts payable and accrued liabilities	927,127	855,927	682,171
Deferred revenue	120,932	111,737	110,855
<b>Total current liabilities</b>	<b>2,289,405</b>	<b>2,320,932</b>	<b>2,398,433</b>
Long-term debt	1,599,304	1,599,211	1,599,027
Other long-term liabilities	439,299	428,155	456,518
<b>Total liabilities</b>	<b>4,328,008</b>	<b>4,348,298</b>	<b>4,453,978</b>
<b>Stockholders' equity</b>	<b>4,056,389</b>	<b>3,843,490</b>	<b>3,712,554</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,384,397</b>	<b>\$ 8,191,788</b>	<b>\$ 8,166,532</b>

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)  
(unaudited)

	<u>Quarter Ended</u> <u>September 30, 2010</u>	<u>Nine Months Ended</u> <u>September 30, 2010</u>
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 189,945	\$ 288,290
Adjustments to earnings:		
Depreciation and amortization	34,839	104,342
Amortization of stock compensation	9,887	31,145
Charge for provider class action	-	278,000
Changes in assets and liabilities:		
Accounts receivable, net	(9,726)	(12,641)
Medical liabilities	(111,573)	(402,903)
Accounts payable and other accrued liabilities	77,133	(163,019)
Deferred revenue	9,195	6,452
Other operating activities	87,573	91,579
<b>Net cash flows from operating activities</b>	<b>287,273</b>	<b>221,245</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures, net	(18,460)	(41,380)
Proceeds from investments, net of purchases	26,821	261,036
Payments for acquisitions, net of cash acquired	(3,903)	(70,797)
<b>Net cash flows from investing activities</b>	<b>4,458</b>	<b>148,859</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of stock	304	1,432
Payments for repurchase of stock	(867)	(4,495)
Excess tax benefit from stock compensation	5	992
<b>Net cash flows from financing activities</b>	<b>(558)</b>	<b>(2,071)</b>
Net change in cash and cash equivalents for current period	291,173	368,033
Cash and cash equivalents at beginning of period	1,495,414	1,418,554
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,786,587</b>	<b>\$ 1,786,587</b>
<b>Cash and Investments:</b>		
Cash and cash equivalents	\$ 1,786,587	\$ 1,786,587
Short-term investments	15,093	15,093
Long-term investments	2,278,844	2,278,844
<b>Total cash and investments</b>	<b>\$ 4,080,524</b>	<b>\$ 4,080,524</b>

**COVENTRY HEALTH CARE, INC.**  
**SELECTED OPERATING STATISTICS**  
(Unaudited)

	Q3 2010	Q2 2010	Q1 2010	Total 2009	Q4 2009	Q3 2009
<b>Membership by Product (000s)</b>						
Health Plan Commercial Risk	1,533	1,522	1,501		1,418	1,431
Health Plan Commercial ASO	636	657	663		685	689
Medicare Advantage CCP	193	192	190		186	185
Medicaid Risk	462	413	406		402	391
<b>Health Plan Total</b>	<b>2,824</b>	<b>2,784</b>	<b>2,760</b>		<b>2,691</b>	<b>2,696</b>
Medicare Advantage PFFS	-	-	-		329	336
Other National Risk	-	-	-		2	5
Other National ASO	462	466	482		564	567
<b>Total Medical Membership</b>	<b>3,286</b>	<b>3,250</b>	<b>3,242</b>		<b>3,586</b>	<b>3,604</b>
Medicare Part D	1,618	1,631	1,600		1,683	1,636
<b>Total Membership</b>	<b>4,904</b>	<b>4,881</b>	<b>4,842</b>		<b>5,269</b>	<b>5,240</b>

<b>Revenues by Product Type (000s)</b>						
Commercial Risk	\$1,380,019	\$1,367,457	\$1,317,221	\$5,174,772	\$1,257,335	\$1,279,571
Commercial Management Services	79,869	82,395	82,957	346,042	96,896	81,661
Medicare Advantage	522,202	505,084	507,592	4,901,918	1,247,725	1,268,592
Medicaid Risk	286,762	268,460	265,771	1,066,231	261,208	281,146
<b>Total Health Plan and Medical Services Businesses</b>	<b>2,268,852</b>	<b>2,223,396</b>	<b>2,173,541</b>	<b>11,488,963</b>	<b>2,863,164</b>	<b>2,910,970</b>
Medicare Part D	348,784	423,664	473,809	1,545,858	347,991	316,654
Other Premiums	25,054	25,201	25,105	94,562	23,291	23,568
Other Management Services	215,185	217,706	207,904	850,184	212,054	211,769
<b>Total Specialized Managed Care Businesses</b>	<b>589,023</b>	<b>666,571</b>	<b>706,818</b>	<b>2,490,604</b>	<b>583,336</b>	<b>551,991</b>
Total Premiums	2,562,821	2,589,866	2,589,498	12,783,341	3,137,550	3,169,531
Total Management Services	295,054	300,101	290,861	1,196,226	308,950	293,430
Other/Eliminations	(22,094)	(21,826)	(21,381)	(76,041)	(18,353)	(18,851)
<b>Total Revenue</b>	<b>\$2,835,781</b>	<b>\$2,868,141</b>	<b>\$2,858,978</b>	<b>\$13,903,526</b>	<b>\$3,428,147</b>	<b>\$3,444,110</b>

<b>Consolidated Coventry</b>						
Operating Income % of Revenues	10.3%	0.2%	5.4%	3.6%	5.4%	4.4%
SGA % of Revenues	17.0%	15.8%	17.3%	15.5%	15.9%	15.3%
Total Medical Liabilities (000s) <sup>(3)</sup>	\$ 952,810	\$1,026,355	\$ 979,173		\$ 900,402	\$ 939,678
Days in Claims Payable (DCP) <sup>(3)</sup>	51.70	55.47	54.14		49.45	50.39
Total Debt (millions)	\$ 1,599.3	\$ 1,599.2	\$ 1,599.1		\$ 1,599.0	\$ 1,708.9
Total Capital (millions)	\$ 5,655.7	\$ 5,442.7	\$ 5,418.2		\$ 5,311.6	\$ 5,311.6
Debt to Capital	28.3%	29.4%	29.5%		30.1%	32.2%

(3) "Total Medical Liabilities" and "Days in Claims Payable" are calculated consistent with prior disclosures to exclude MA-PFFS for all periods presented due to the Company's non-renewal of this product line effective January 1, 2010. These statistics also exclude the effect of the Preferred Health Systems ("PHS") acquisition for the first quarter of 2010 but include the effect of the PHS acquisition for the second and third quarters of 2010 due to the timing of closing (February 1, 2010).

**COVENTRY HEALTH CARE, INC.**  
**SELECTED REVENUE AND MEDICAL COST STATISTICS**  
**(Unaudited)**

	Q3 2010	Q2 2010	Q1 2010	Total 2009	Q4 2009	Q3 2009
<b>Revenue PMPM</b>						
Health Plan Commercial Group Risk	\$315.82	\$313.92	\$312.05	\$301.63	\$306.75	\$304.13
Medicare Advantage <sup>(4), (5)</sup>	\$899.89	\$867.43	\$885.26	\$855.16	\$849.62	\$853.90
Medicare Part D <sup>(6)</sup>	\$ 87.56	\$ 90.49	\$ 88.05	\$ 84.40	\$ 83.42	\$ 84.63
Medicaid	\$215.51	\$217.77	\$218.76	\$229.94	\$218.62	\$239.22
<b>MLR%</b>						
Consolidated Total	77.2%	79.1%	82.3%	85.4%	83.2%	84.4%
Health Plan Commercial Group Risk	76.8%	78.3%	80.2%	81.9%	82.9%	82.1%
Medicare Advantage <sup>(5)</sup>	77.0%	81.2%	85.7%	89.9%	89.4%	89.4%
Medicare Part D	79.0%	90.7%	95.3%	85.7%	64.4%	79.4%
Medicaid	89.0%	84.2%	84.0%	87.6%	85.8%	86.1%

(4) Revenue PMPM excludes the impact of revenue ceded to external parties.

(5) Beginning with Q1 2010, Medicare Advantage revenue and medical cost statistics represent the MA-CCP business only as the Company did not renew the MA-PFFS product line effective January 1, 2010.

(6) Revenue PMPM excludes the impact of CMS risk-share premium adjustments and revenue ceded to external parties.



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## **COVENTRY HEALTH CARE ANNOUNCES APPOINTMENT OF KEVIN CONLIN AS EXECUTIVE VICE PRESIDENT**

BETHESDA, Md. (November 4, 2010) — Coventry Health Care, Inc. (NYSE: CVH) announced today that Kevin Conlin will join the Company as Executive Vice President. In this capacity, Mr. Conlin will have broad strategic and operational responsibility and help develop innovative products and business partnerships to move the Company forward in the post-health reform environment. His appointment takes effect on January 3, 2011.

Mr. Conlin will arrive at Coventry after a highly-successful, six-and-one-half year tenure as President and CEO of Via Christi Health in Wichita, Kansas. While at Via Christi, the largest provider of healthcare services in Kansas, his numerous accomplishments included opening the first new hospital in Via Christi's history, launching new technology-driven programs to transform the delivery of care to patients, and selling Preferred Health Systems, Via Christi's health plan insurance company, to Coventry earlier this year.

"We are incredibly fortunate to add someone with Kevin's depth, broad healthcare experience and strategic vision to our management team," said Allen Wise, Coventry's Chief Executive Officer. "As the world for health insurers changes rapidly, Kevin will provide unique insight into how we can better align with hospitals, providers, and others in the care delivery system to offer the highest quality, most affordable plans to our customers and members."

Mr. Conlin has extensive healthcare and hospital experience and a track record of leadership that spans more than 25 years. Prior to joining Via Christi Health, he was president of Cross Country Consulting in Atlanta and assisted in the process of the initial public offering for its parent company, Cross Country Healthcare. He also served as President and CEO of Partners First, a subsidiary of Ascension Health in St. Louis. Additional hospital leadership positions for Mr. Conlin include chief executive roles at DePaul Medical Center in Norfolk, VA, Hotel Dieu Hospital in New Orleans, and at the Baptist Health System of East Tennessee.

He earned his bachelor's degree from Rutgers University and a Master's degree in Health Administration from Duke University.

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## **COVENTRY HEALTH CARE COMPLETES ACQUISITION OF MHP, INC.**

BETHESDA, Md. (October 1, 2010) — Coventry Health Care, Inc. (NYSE: CVH) announced today that it has completed its previously announced acquisition of MHP, Inc. and its subsidiaries (“Mercy Health Plans”), which were wholly-owned by Sisters of Mercy Health System (“Mercy”). With the addition of Mercy Health Plans, Coventry now serves more than 1.2 million members in its six-state Midwest region. Coventry has also entered into a long-term provider and customer relationship with Mercy and its affiliates as part of the transaction.

“I am pleased to announce the completion of this transaction which strengthens Coventry’s presence in the Missouri market while also expanding our relationship with a premier multi-state health system,” said Allen F. Wise, chief executive officer of Coventry. “We share a view of developing cost-effective healthcare models that improve quality through innovative care coordination practices and improved patient management.”

As previously reported, the transaction is expected to be slightly accretive to earnings in 2011 and financial terms of the transaction were not disclosed.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry’s Annual Report on Form 10-K for the year ended December 31, 2009 and Coventry’s Form 10-Q for the quarter ended June 30, 2010. Coventry undertakes no obligation to update or revise any forward-looking statements.

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## **COVENTRY HEALTH CARE TO RELEASE THIRD QUARTER 2010 FINANCIAL RESULTS**

BETHESDA, Md. (September 21, 2010) – Coventry Health Care, Inc. (NYSE: CVH) announced today that it will release third quarter 2010 financial results on Friday, November 5, 2010. Allen Wise, Coventry’s Chief Executive Officer, will be hosting a conference call at 8:30 a.m. ET on that day. To listen to the call, dial toll-free at (877) 591-4959 or, for international callers, (719) 325-4748. Callers will be asked to identify themselves and their affiliations.

The conference call will also be webcast from Coventry’s Investor Relations website at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its Securities and Exchange Commission filings. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 5680841.

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Contact: John Stelben  
Interim Chief Financial Officer  
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## Coventry Health Care Reports Second Quarter Earnings

BETHESDA, Md. (July 30, 2010) - Coventry Health Care, Inc. (NYSE: CVH) today reported consolidated operating results for the quarter ended June 30, 2010. Operating revenues totaled \$2.9 billion for the quarter with net earnings of \$1.0 million, or \$0.01 earnings per diluted share (EPS). These results include a favorable impact from the Medicare Advantage Private Fee-for-Service (MA-PFFS) product of \$0.18 EPS and an unfavorable impact related to the previously announced provider class action litigation in Louisiana of \$1.18 EPS. Excluding the impact of MA-PFFS results<sup>(1)</sup> and the provider class action charge<sup>(2)</sup>, earnings for the quarter were \$149.2 million, or \$1.01 EPS. Additionally, the Company has increased guidance for full year 2010 as detailed on page 3.

“The outstanding second quarter fundamentals that Coventry reported today are a result of the sharper focus and execution that have returned to the organization with all seven of our core businesses performing at or above expectations,” said Allen F. Wise, chairman and chief executive officer of Coventry. “Our diversified portfolio of risk and fee-based businesses combined with a relentless emphasis on driving a low cost structure throughout the organization positions us well for continued success in the long term.”

### Consolidated Highlights

- Commercial risk membership of 1,522,000, an organic increase of 21,000 members sequentially
- Sequential membership growth in Medicare Advantage Coordinated Care Plans (MA-CCP), Medicare Part D, and Medicaid
- Announced an agreement to acquire Mercy Health Plans, a diversified health plan with approximately 180,000 members throughout Missouri and northwest Arkansas
- GAAP cash flows from operations were \$120.9 million
- Approximately \$670 million of deployable free cash at the parent at quarter-end

(1) The Company did not renew the MA-PFFS product line effective January 1, 2010 and is in the process of paying claims liabilities related to prior dates of service. The Company believes that disclosing adjusted earnings figures which exclude the 2010 impact of the MA-PFFS results provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance.

(2) On July 2, 2010, the Company announced that it will incur a non-recurring pre-tax charge to earnings in the second quarter of 2010 in the amount of \$278 million, or \$1.18 per share related to such litigation. The Company believes that disclosing adjusted earnings figures which exclude the impact of this litigation provides a more meaningful measure of its operating results for comparison to future periods and previously announced guidance.

## Selected Second Quarter 2010 Highlights

- **Health Plan Commercial Group Risk.** Reported commercial group risk premium yields rose to \$313.92 per member per month (PMPM) in the quarter, an increase of 4.7% from the prior year quarter. Reported commercial group risk premium yields rose to \$313.00 PMPM year-to-date, an increase of 5.0% from the prior year-to-date. The health plan commercial group risk MLR was 78.3% in the quarter, a decrease of 340 basis points from the prior year quarter.
- **Medicare Advantage.** As of June 30, 2010, MA-CCP membership was 192,000, an increase of 10,000 members from the prior year quarter. The MA-CCP MLR was 81.2% in the quarter. During the second quarter, the MA-PFFS product line contributed \$0.18 EPS largely due to favorable medical cost experience during the claims run-out process. When combined with the \$0.17 EPS contribution reported in the first quarter, the total year-to-date contribution from the MA-PFFS product line was \$0.35 EPS. As previously announced, the Company did not renew this product line effective January 1, 2010.
- **Medicare Part D.** As of June 30, 2010, Medicare Part D membership was 1,631,000, an increase of 76,000 members from the prior year quarter. The Medicare Part D MLR was 90.7% in the quarter, an increase of 80 basis points from the prior year quarter. The Medicare Part D MLR was 93.1% year-to-date, a decrease of 330 basis points from the prior year-to-date.
- **Medicaid.** As of June 30, 2010, Medicaid membership was 413,000, an increase of 28,000 members from the prior year quarter. Coventry commenced operations in Pennsylvania during the second quarter which contributed 5,000 new members. The Medicaid MLR was 84.2% in the quarter, a decrease of 600 basis points from the prior year quarter.

## 2010 Full Year Guidance

- Risk revenue of \$10.10 billion to \$10.33 billion
- Management services revenue of \$1.15 billion to \$1.17 billion
- Consolidated revenue of \$11.25 billion to \$11.50 billion
- Consolidated MLR of 81.3% to 81.9%
- Cost of sales expense of \$245.0 million to \$250.0 million
- Selling, general, and administrative expense (SG&A) of \$1.92 billion to \$1.96 billion
- Charge for provider class action of \$278.0 million
- Depreciation and amortization expense of \$137.0 million to \$145.0 million
- Other income of \$72.0 million to \$78.0 million
- Interest expense of \$80.0 million to \$86.0 million
- Tax rate of 37.0% to 38.0%
- Diluted share count of 146.5 million to 148.0 million
- EPS of \$1.72 to \$1.87

### GUIDANCE PROGRESSION TABLE

	Guidance Provided as of:		
	April 30, 2010	July 2, 2010	July 30, 2010
<b>GAAP EPS range</b>	<b>\$2.35 - \$2.50</b>	<b>\$1.57 - \$1.72</b>	<b>\$1.72 - \$1.87</b>
Remove unfavorable impact of litigation charge <sup>(2)</sup>	-	\$1.18	\$1.18
<b>Adjusted EPS range excluding litigation charge</b>	<b>\$2.35 - \$2.50</b>	<b>\$2.75 - \$2.90</b>	<b>\$2.90 - \$3.05</b>
Remove favorable impact of MA-PFFS <sup>(1)</sup>	(\$0.17)	(\$0.28)	(\$0.35)
<b>Adjusted core EPS range</b>	<b>\$2.18 - \$2.33</b>	<b>\$2.47 - \$2.62</b>	<b>\$2.55 - \$2.70</b>

Mr. Allen F. Wise, chairman and chief executive officer of Coventry, will host a conference call at 8:30 a.m. ET on Friday, July 30, 2010. To listen to the call, dial toll-free at (888) 587-0615 or, for international callers, (719) 325-2432. Callers will be asked to identify themselves and their affiliations. The conference call will also be webcast from Coventry's Investor Relations site at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its filings with the Securities and Exchange Commission. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 8644262.

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**COVENTRY HEALTH CARE, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Amounts in thousands, except per share data)

	Quarters Ended		Six Months Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Operating revenues:</b>				
Managed care premiums	\$ 2,570,508	\$ 3,201,919	\$ 5,141,083	\$ 6,442,731
Management services	297,633	296,455	586,036	588,538
<b>Total operating revenues</b>	<b>2,868,141</b>	<b>3,498,374</b>	<b>5,727,119</b>	<b>7,031,269</b>
<b>Operating expenses:</b>				
Medical costs	2,032,556	2,766,974	4,146,898	5,599,971
Cost of sales	64,116	58,020	123,262	115,896
Selling, general, administrative	454,254	535,949	949,159	1,079,969
Charge for provider class action	278,000	-	278,000	-
Depreciation and amortization	33,985	34,972	69,504	69,649
<b>Total operating expenses</b>	<b>2,862,911</b>	<b>3,395,915</b>	<b>5,566,823</b>	<b>6,865,485</b>
<b>Operating earnings</b>	<b>5,230</b>	<b>102,459</b>	<b>160,296</b>	<b>165,784</b>
<b>Operating earnings percentage of total revenues</b>	<b>0.2%</b>	<b>2.9%</b>	<b>2.8%</b>	<b>2.4%</b>
Interest expense	20,195	21,775	40,325	43,906
Other income, net	18,207	31,895	38,494	51,762
Earnings before income taxes	3,242	112,579	158,465	173,640
Provision for income taxes	2,221	44,871	60,119	67,825
<b>Income from continuing operations</b>	<b>1,021</b>	<b>67,708</b>	<b>98,346</b>	<b>105,815</b>
<b>Discontinued operations:</b>				
Loss from discontinued operations	-	(65,507)	-	(55,900)
Income tax benefit	-	16,224	-	12,677
<b>Loss from discontinued operations</b>	<b>-</b>	<b>(49,283)</b>	<b>-</b>	<b>(43,223)</b>
<b>Net earnings</b>	<b>\$ 1,021</b>	<b>\$ 18,425</b>	<b>\$ 98,346</b>	<b>\$ 62,592</b>
<b>Net earnings per share:</b>				
Basic earnings per share from continuing operations	\$ 0.01	\$ 0.46	\$ 0.67	\$ 0.72
Basic loss per share from discontinued operations	-	(0.33)	-	(0.29)
Total basic earnings per share	<u>\$ 0.01</u>	<u>\$ 0.13</u>	<u>\$ 0.67</u>	<u>\$ 0.43</u>
Diluted earnings per share from continuing operations	\$ 0.01	\$ 0.46	\$ 0.67	\$ 0.72
Diluted loss per share from discontinued operations	-	(0.34)	-	(0.30)
Total diluted earnings per share	<u>\$ 0.01</u>	<u>\$ 0.12</u>	<u>\$ 0.67</u>	<u>\$ 0.42</u>
Weighted average shares outstanding, basic	145,943	146,955	145,863	146,901
Weighted average shares outstanding, diluted	147,300	147,616	147,291	147,460

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Amounts in thousands)

	<u>June 30, 2010</u> (unaudited)	<u>March 31, 2010</u> (unaudited)	<u>December 31, 2009</u>
<b>Assets:</b>			
Current assets:			
Cash and cash equivalents	\$ 1,495,414	\$ 1,370,243	\$ 1,418,554
Short-term investments	16,011	6,000	442,106
Accounts receivable, net	271,108	264,334	258,993
Other receivables, net	499,457	502,535	496,059
Other current assets	338,131	232,732	234,446
<b>Total current assets</b>	<b>2,620,121</b>	<b>2,375,844</b>	<b>2,850,158</b>
Long-term investments	2,285,411	2,297,901	1,994,987
Property and equipment, net	258,503	266,027	271,931
Goodwill	2,546,351	2,551,884	2,529,284
Other intangible assets, net	448,948	464,906	471,693
Other long-term assets	32,454	33,526	48,479
<b>Total assets</b>	<b>\$ 8,191,788</b>	<b>\$ 7,990,088</b>	<b>\$ 8,166,532</b>
<b>Liabilities and Stockholders' Equity:</b>			
Current liabilities:			
Medical liabilities	\$ 1,353,268	\$ 1,417,027	\$ 1,605,407
Accounts payable and accrued liabilities	855,927	606,479	682,171
Deferred revenue	111,737	126,781	110,855
<b>Total current liabilities</b>	<b>2,320,932</b>	<b>2,150,287</b>	<b>2,398,433</b>
Long-term debt	1,599,211	1,599,119	1,599,027
Other long-term liabilities	428,155	421,571	456,518
<b>Total liabilities</b>	<b>4,348,298</b>	<b>4,170,977</b>	<b>4,453,978</b>
<b>Stockholders' equity</b>	<b>3,843,490</b>	<b>3,819,111</b>	<b>3,712,554</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 8,191,788</b>	<b>\$ 7,990,088</b>	<b>\$ 8,166,532</b>

**COVENTRY HEALTH CARE, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Amounts in thousands)  
(unaudited)

	<b>Quarter Ended June 30, 2010</b>	<b>Year Ended June 30, 2010</b>
<b>Cash flows from operating activities:</b>		
Net earnings	\$ 1,021	\$ 98,346
Adjustments to earnings:		
Depreciation and amortization	33,985	69,504
Amortization of stock compensation	10,742	21,258
Charge for provider class action	278,000	278,000
Changes in assets and liabilities:		
Accounts receivable, net	(6,514)	(2,915)
Medical liabilities	(60,183)	(291,330)
Accounts payable and other accrued liabilities	(135,194)	(240,155)
Deferred revenue	(15,044)	(2,743)
Other operating activities	14,083	4,007
<b>Net cash flows from operating activities</b>	<b>120,896</b>	<b>(66,028)</b>
<b>Cash flows from investing activities:</b>		
Capital expenditures, net	(10,439)	(22,920)
Proceeds from investments, net of purchases	16,066	234,215
Payments for acquisitions, net of cash acquired	-	(66,894)
<b>Net cash flows from investing activities</b>	<b>5,627</b>	<b>144,401</b>
<b>Cash flows from financing activities:</b>		
Proceeds from issuance of stock	747	1,128
Payments for repurchase of stock	(2,349)	(3,628)
Excess tax benefit from stock compensation	250	987
<b>Net cash flows from financing activities</b>	<b>(1,352)</b>	<b>(1,513)</b>
Net change in cash and cash equivalents for current period	125,171	76,860
Cash and cash equivalents at beginning of period	1,370,243	1,418,554
<b>Cash and cash equivalents at end of period</b>	<b>\$ 1,495,414</b>	<b>\$ 1,495,414</b>
<b>Cash and Investments:</b>		
Cash and cash equivalents	\$ 1,495,414	\$ 1,495,414
Short-term investments	16,011	16,011
Long-term investments	2,285,411	2,285,411
<b>Total cash and investments</b>	<b>\$ 3,796,836</b>	<b>\$ 3,796,836</b>

**COVENTRY HEALTH CARE, INC.**  
**SELECTED OPERATING STATISTICS**  
(Unaudited)

	Q2 2010	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Total 2008
<b>Membership by Product (000s)</b>								
Health Plan Commercial Risk	1,522	1,501		1,418	1,431	1,477	1,501	1,575
Health Plan Commercial ASO	657	663		685	689	697	702	714
Medicare Advantage CCP	192	190		186	185	182	176	137
Medicaid Risk	413	406		402	391	385	375	371
<b>Health Plan Total</b>	<b>2,784</b>	<b>2,760</b>		<b>2,691</b>	<b>2,696</b>	<b>2,741</b>	<b>2,754</b>	<b>2,797</b>
Medicare Advantage PFFS	-	-		329	336	329	318	243
Other National Risk	-	-		2	5	15	21	24
Other National ASO	466	482		564	567	571	575	633
<b>Total Medical Membership</b>	<b>3,250</b>	<b>3,242</b>		<b>3,586</b>	<b>3,604</b>	<b>3,656</b>	<b>3,668</b>	<b>3,697</b>
Medicare Part D	1,631	1,600		1,683	1,636	1,555	1,501	931
<b>Total Membership</b>	<b>4,881</b>	<b>4,842</b>		<b>5,269</b>	<b>5,240</b>	<b>5,211</b>	<b>5,169</b>	<b>4,628</b>

<b>Revenues by Product Type (000s)</b>								
Commercial Risk	\$1,367,457	\$1,317,221	\$5,174,772	\$1,257,335	\$1,279,571	\$1,310,645	\$1,327,221	\$5,421,984
Commercial Management Services	82,395	82,957	346,042	96,896	81,661	83,675	83,810	352,369
Medicare Advantage	505,084	507,592	4,901,918	1,247,725	1,268,592	1,224,011	1,161,590	3,177,244
Medicaid Risk	268,460	265,771	1,066,231	261,208	281,146	263,039	260,838	1,087,189
<b>Total Health Plan and Medical Services Businesses</b>	<b>2,223,396</b>	<b>2,173,541</b>	<b>11,488,963</b>	<b>2,863,164</b>	<b>2,910,970</b>	<b>2,881,370</b>	<b>2,833,459</b>	<b>10,038,786</b>
Medicare Part D	423,664	473,809	1,545,858	347,991	316,654	397,090	484,123	847,702
Other Premiums	25,201	25,105	94,562	23,291	23,568	23,746	23,957	64,783
Other Management Services	217,706	207,904	850,184	212,054	211,769	215,468	210,893	826,321
<b>Total Specialized Managed Care Businesses</b>	<b>666,571</b>	<b>706,818</b>	<b>2,490,604</b>	<b>583,336</b>	<b>551,991</b>	<b>636,304</b>	<b>718,973</b>	<b>1,738,806</b>
Total Premiums	2,589,866	2,589,498	12,783,341	3,137,550	3,169,531	3,218,531	3,257,729	10,598,902
Total Management Services	300,101	290,861	1,196,226	308,950	293,430	299,143	294,703	1,178,690
Other/Eliminations	(21,826)	(21,381)	(76,041)	(18,353)	(18,851)	(19,300)	(19,537)	(43,365)
<b>Total Revenue</b>	<b>\$2,868,141</b>	<b>\$2,858,978</b>	<b>\$13,903,526</b>	<b>\$3,428,147</b>	<b>\$3,444,110</b>	<b>\$3,498,374</b>	<b>\$3,532,895</b>	<b>\$11,734,227</b>

<b>Consolidated Coventry</b>								
Operating Income % of Revenues	0.2%	5.4%	3.6%	5.4%	4.4%	2.9%	1.8%	5.0%
SGA % of Revenues	15.8%	17.3%	15.5%	15.9%	15.3%	15.3%	15.4%	16.5%
Total Medical Liabilities (000s) <sup>(3)</sup>	\$1,026,355	\$ 979,173		\$ 900,402	\$ 939,678	\$ 904,711	\$ 898,224	\$ 846,004
Days in Claims Payable (DCP) <sup>(3)</sup>	55.47	54.14		49.45	50.39	48.35	48.54	47.57
Total Debt (millions)	\$ 1,599.2	\$ 1,599.1		\$ 1,599.0	\$ 1,708.9	\$ 1,806.8	\$ 1,902.6	\$ 1,902.5
Total Capital (millions)	\$ 5,442.7	\$ 5,418.2		\$ 5,311.6	\$ 5,311.6	\$ 5,332.9	\$ 5,402.8	\$ 5,333.1
Debt to Capital	29.4%	29.5%		30.1%	32.2%	33.9%	35.2%	35.7%

(3) "Total Medical Liabilities" and "Days in Claims Payable" are calculated consistent with prior disclosures to exclude MA-PFFS for all periods presented due to the Company's non-renewal of this product line effective January 1, 2010. These statistics also exclude the effect of the Preferred Health Systems ("PHS") acquisition for the first quarter of 2010 but include the effect of the PHS acquisition for the second quarter of 2010 due to the timing of closing (February 1, 2010).

**COVENTRY HEALTH CARE, INC.**  
**SELECTED REVENUE AND MEDICAL COST STATISTICS**  
**(Unaudited)**

	Q2 2010	Q1 2010	Total 2009	Q4 2009	Q3 2009	Q2 2009	Q1 2009	Total 2008
<b>Revenue PMPM</b>								
Health Plan Commercial Group Risk	\$313.92	\$312.05	\$301.63	\$306.75	\$304.13	\$299.79	\$296.36	\$286.30
Medicare Advantage <sup>(4), (5)</sup>	\$867.43	\$885.26	\$855.16	\$849.62	\$853.90	\$857.05	\$860.46	\$862.60
Medicare Part D <sup>(6)</sup>	\$ 90.49	\$ 88.05	\$ 84.40	\$ 83.42	\$ 84.63	\$ 85.27	\$ 84.35	\$ 88.34
Medicaid	\$217.77	\$218.76	\$229.94	\$218.62	\$239.22	\$230.27	\$231.93	\$208.50
<b>MLR%</b>								
Consolidated Total	79.1%	82.3%	85.4%	83.2%	84.4%	86.4%	87.4%	84.0%
Health Plan Commercial Group Risk	78.3%	80.2%	81.9%	82.9%	82.1%	81.7%	80.9%	81.7%
Medicare Advantage <sup>(5)</sup>	81.2%	85.7%	89.9%	89.4%	89.4%	90.4%	90.5%	89.0%
Medicare Part D	90.7%	95.3%	85.7%	64.4%	79.4%	89.9%	101.8%	84.1%
Medicaid	84.2%	84.0%	87.6%	85.8%	86.1%	90.2%	88.3%	85.3%

(4) Revenue PMPM excludes the impact of revenue ceded to external parties.

(5) Beginning with Q1 2010, Medicare Advantage revenue and medical cost statistics represent the MA-CCP business only as the Company did not renew the MA-PFFS product line effective January 1, 2010.

(6) Revenue PMPM excludes the impact of CMS risk-share premium adjustments and revenue ceded to external parties.



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## **COVENTRY HEALTH CARE TO RECORD A ONE-TIME, NON-RECURRING CHARGE RELATED TO CLASS ACTION LAWSUIT**

BETHESDA, Md. (July 2, 2010) — Coventry Health Care, Inc. (NYSE: CVH) announced today that the Court Of Appeal, Third Circuit for the State of Louisiana has affirmed the trial court's decision to grant summary judgment against First Health Group Corp., Inc. (a wholly-owned subsidiary of Coventry) for \$262 million in previously-disclosed provider class action litigation in Louisiana state court. The suit involves claims of alleged violations of notice provisions of Louisiana's Any Willing Provider Act in connection with providers providing services to injured workers with workers' compensation claims and is described in more detail in Coventry's Annual Report on Form 10-K for the year ended December 31, 2009 and in the Quarterly Report on Form 10-Q for the quarter ended March 31, 2010.

As a result of the decision, and inclusive of interest, Coventry will incur a non-recurring pre-tax charge to earnings in the second quarter of 2010 in the amount of \$278 million, or approximately \$1.18 per diluted share.

Coventry does not believe the decision is supported by the facts or the law and intends to file a motion for rehearing and explore other avenues of appeal. The Company believes that it has available resources to pay any final unappealable judgment in this litigation.

Coventry's fundamental business operations, across all measures, have continued to build upon the strong performance reported for the quarter ended March 31, 2010 with all seven core businesses performing at or above internal expectations. Based upon results through the month ended May 31, 2010, Coventry is revising its guidance range, including this one-time charge, to an earnings per diluted share range of \$1.57 to \$1.72 for full year 2010. Excluding the one-time charge, the Company's full year guidance range is being increased by \$0.40 earnings per diluted share to a range of \$2.75 to \$2.90 which is inclusive of \$0.28 earnings per diluted share from Medicare Advantage Private-Fee-for-Service through May 31, 2010. Coventry will provide additional details on its guidance during the second quarter earnings call which will be held on July 30, 2010.

This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are defined as statements that are not historical facts and include those statements relating to future events or future financial performance. Actual performance may be significantly impacted by certain risks and uncertainties including those described in Coventry's Annual Report on Form 10-K for the year ended December 31, 2009 and Coventry's Form 10-Q for the quarter ended March 31, 2010. Coventry undertakes no obligation to update or revise any forward-looking statements.

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## **COVENTRY HEALTH CARE TO RELEASE SECOND QUARTER 2010 FINANCIAL RESULTS**

BETHESDA, Md. (July 2, 2010) – Coventry Health Care, Inc. (NYSE: CVH) announced today that it will release second quarter 2010 financial results on Friday, July 30, 2010. Allen Wise, Coventry’s Chief Executive Officer, will be hosting a conference call at 8:30 a.m. ET on that day. To listen to the call, dial toll-free at (888) 587-0615 or, for international callers, (719) 325-2432. Callers will be asked to identify themselves and their affiliations.

The conference call will also be webcast from Coventry’s Investor Relations website at [www.coventryhealthcare.com](http://www.coventryhealthcare.com). Coventry asks participants on both the call and webcast to review and be familiar with its Securities and Exchange Commission filings. A replay of the call will be available for one week at (888) 203-1112 or, for international callers, (719) 457-0820. The access code is 8644262.

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## **COVENTRY HEALTH CARE AGREES TO ACQUIRE MHP, INC.**

BETHESDA, Md. (June 30, 2010) — Coventry Health Care, Inc. (NYSE: CVH) announced today that it has signed a definitive agreement to acquire MHP, Inc. and its subsidiaries (“Mercy Health Plans”), currently wholly-owned by Sisters of Mercy Health System. Mercy Health Plans is a diversified health plan with approximately 90,000 commercial risk members, 60,000 commercial self-funded members, and 30,000 Medicare Advantage Coordinated Care members throughout Missouri and northwest Arkansas. Upon completion of this acquisition, Coventry will serve more than 1.2 million members in its six-state Midwest region. Coventry is also entering into a long-term provider and customer relationship with Sisters of Mercy Health System and its affiliates as part of the transaction.

“I am pleased to announce this transaction which strengthens Coventry’s presence in the Missouri market while also expanding our relationship with a premier multi-state health system, Sisters of Mercy Health System,” said Allen F. Wise, chief executive officer of Coventry. “This acquisition reaffirms Coventry’s commitment to broadening its health plan footprint and is consistent with our focus on our seven core businesses. Mercy Health Plans’ businesses are ones that we understand well and we are confident that they will increase shareholder value over the long term.”

The transaction is expected to close in the next 90 to 120 days subject to customary closing conditions and regulatory and other approvals and is expected to be slightly accretive to earnings in 2011. Financial terms of the transaction were not disclosed.

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