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Health Net, Inc. Statement Regarding Arbitration Decision Involving Rescission of Individual Insurance Policy

LOS ANGELES--(BUSINESS WIRE)--Feb. 22, 2008--Health Net, Inc. (NYSE:HNT) today announced that the company received an arbitration decision yesterday in a case involving the rescission of an individual insurance policy. While we do not agree with all of his conclusions, the arbitrator raised some serious concerns. Some of these concerns have already been remedied over the past few years, and we intend to address the remaining issues he raised.

Effective immediately, we are doing the following things:

First, we will rescind no policies in the future without a binding external, third-party review process.

Second, we will ensure our application and underwriting process is clear and understandable, and that we get all necessary information before issuing a policy.

And third, we will do a comprehensive review of all parts of the process including enhanced broker review, training and education.

We will be making specific announcements in the coming weeks. We also will urge the passage of legislation in California to address these matters on a statewide basis.

We take this very seriously and are committed to resolving these issues.

About Health Net

Health Net, Inc. is among the nation's largest publicly traded managed health care companies. Its mission is to help people be healthy, secure and comfortable. The company's health plans and government contracts subsidiaries provide health benefits to approximately 6.6 million individuals across the country through group, individual, Medicare, Medicaid and TRICARE and Veterans Affairs programs. Health Net's behavioral health subsidiary, MHN, provides mental health benefits to approximately 7.0 million individuals in all 50 states. The company's subsidiaries also offer managed health care products related to prescription drugs, and offer managed health care product coordination for multi-region employers and administrative services for medical groups and self-funded benefits programs.

For more information on Health Net, Inc., please visit the company's Web site at www.healthnet.com.

Cautionary Statements

Health Net, Inc. and its representatives may from time to time make written and oral forward-looking statements, including statements contained in news releases, in Health Net's filings with the Securities and Exchange Commission, in the company's reports to shareholders and in meetings with investors and analysts, within the meaning of Section 21E of the Securities Exchange Act of 1934, as

amended, and Section 27A of the Securities Act of 1933, as amended, that involve a number of risks and uncertainties. All statements, other than statements of historical information provided herein, may be deemed to be forward-looking statements. These statements are based on management's analysis, judgment, belief and expectation only as of the date hereof, and are subject to uncertainty and changes in circumstances. Without limiting the foregoing, the words "believes," "anticipates," "plans," "expects," "may," "should," "could," "estimate," "intend" and other similar expressions are intended to identify forward-looking statements. Actual results could differ materially due to, among other things, rising health care costs, negative prior period claims reserve developments, trends in medical care ratios, issues relating to provider contracts, litigation costs, regulatory issues, operational issues, health care reform and general business conditions. Additional factors that could cause actual results to differ materially from those reflected in the forward-looking statements include, but are not limited to, the risks discussed in the "Risk Factors" section included within the company's most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q filed with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements. The company undertakes no obligation to publicly revise these forward-looking statements to reflect events or circumstances that arise after the date of this release.

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SOURCE: Health Net, Inc.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995: Statements in this press release regarding Health Net, Inc.'s business which are not historical facts are "forward-looking statements" that involve risks and uncertainties. For a discussion of such risks and uncertainties, which could cause actual results to differ from those contained in the forward-looking statements, see "Risk Factors" in the Company's Annual Report or Form 10-K for the most recently ended fiscal year.

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