In the Matter of
Humana Insurance Company,
Respondent

STIPULATION and ORDER
Case No. 08-C31613

WHEREAS, Respondent, Humana Insurance Company, 1100 Employers Blvd, Green
Bay, Wisconsin 54115, is subject to the jurisdiction and control of the Commissioner of
Insurance in the State of Wisconsin; and

WHEREAS, The Office of the Commissioner of Insurance (hereinafter the
"Commissioner") conducted an investigation of Respondent; and

WHEREAS, the Commissioner made the following allegation:

(A) Respondent failed to comply with Wisconsin Insurance law as contained in the
attached September 10 - 26, 2007, Market Conduct Examination Report adopted on
August 13, 2008.

WHEREAS, Respondent denies and continues to contest the allegations but agrees to
this Stipulation to resolve the matter.

NOW, THEREFORE, Respondent and the Commissioner do agree and stipulate to the
following terms and conditions:

1. The Respondent agrees to the imposition of a forfeiture of seven hundred and fifty
thousand dollars ($750,000) payable to the state of Wisconsin. This forfeiture shall be paid
accompanying this Stipulation.

2. The Respondent agrees to comply with the recommendations contained in the
Market Conduct Examination Report.

3. Respondent consents and agrees to entry of the Order below.

4. The Respondent agrees this Stipulation is made without reservation and constitutes
a waiver of rights including a hearing, confrontation and cross-examination of witnesses,
production of evidence, making a motion for costs, and judicial review. The Commissioner
agrees to not impose any additional administrative action for any allegation noted in this
Stipulation. The Commissioner may enforce this Stipulation and Order. In addition, if the
Respondent is involved in a future administrative action, this Stipulation may be considered in
determining the appropriate action and penalty.

5. Both parties agree that on the effective date of this Stipulation and Order, this
proceeding is dismissed with prejudice and without costs against either party.

August 27, 2008
Date

James H. Bloem, Director, Sr. VP, CFO & Treasurer
Humana Insurance Company

September 8, 2008
Date

Julie E. Walsh, Attorney
Office of the Commissioner of Insurance
ORDER

NOW THEREFORE, based upon the consideration of this Stipulation, I hereby Order, pursuant to s. 601.41 (4), Wis. Stat., that:

1. The Respondent pay a forfeiture of seven hundred and fifty thousand dollars ($750,000) to the State of Wisconsin. This forfeiture shall be paid accompanying this Stipulation.

2. The Respondent shall comply with the recommendations contained in the Market Conduct Examination Report.

3. The Respondent shall comply with Wisconsin Insurance laws.

4. Respondent shall comply with all agreements made in this Stipulation and Order.

Dated at Madison, Wisconsin, this 5th day of September, 2008.

[Signature]

Susan Ezalarab, CIE, CPCU, FMLI
Director, Bureau of Market Regulation