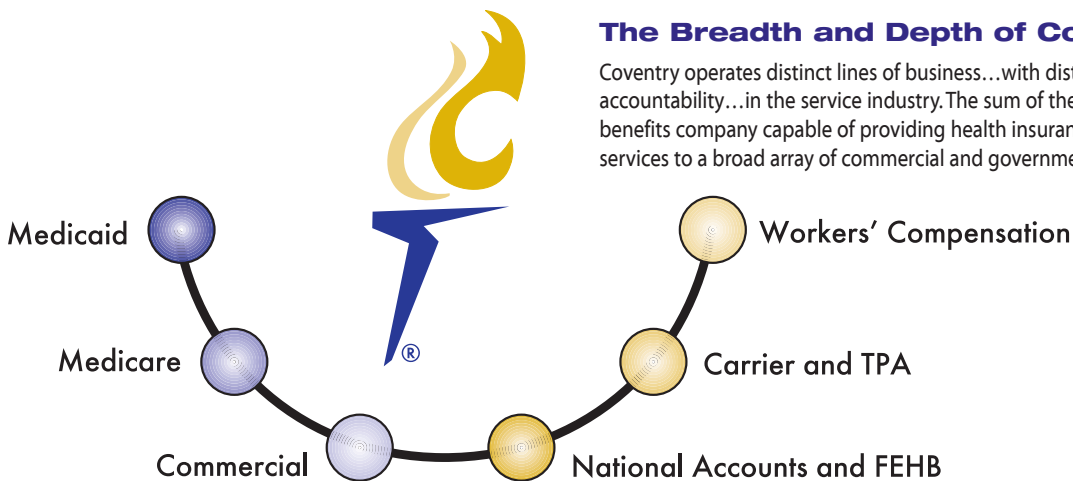


# The Coventry Difference

Coventry Health Care is a national managed health care company based in Bethesda, Maryland operating health plans, insurance companies, network rental services companies, and workers' compensation services companies. Our customers include a broad cross section of employer- and government-funded groups, government agencies, and other insurance carriers and administrators in all 50 states, as well as the District of Columbia and Puerto Rico.

Coventry provides a full range of risk- and fee-based managed care products and services, including HMO, PPO, POS, Medicare Advantage, Medicare Prescription Drug Plans, Medicaid, Workers' Compensation and Network Rental. Enrollment in our company's traditional group health plan and insurance company lines of business exceeds 3.7 million members.<sup>1</sup>



## The Breadth and Depth of Coventry

Coventry operates distinct lines of business...with distinct lines of accountability...in the service industry. The sum of the parts is a national health benefits company capable of providing health insurance and administrative services to a broad array of commercial and government accounts.

## National Resources Strengthened by Local Support

Our model of organization is straightforward. Our health plans are local organizations meeting local needs. Day-to-day functions, including customer relations, administration, account management, broker relations, provider relations and medical management, are handled locally.

The networks of participating health care providers that have contracted with our health plans are independent contractors who practice in their own private offices. At the same time, each health plan benefits from being part of a larger, national organization. Centralized customer service operations and investments in technology keep all health plans on the leading edge.



While our health plans are structured to effectively service local employers, our First Health Group Corp. offices nationwide are focused on meeting the needs of large payors. At the foundation of First Health's business sectors is one of the nation's largest PPO networks. The network includes over 4,500 hospitals and 450,000 physicians across all 50 states, The District of Columbia, and Puerto Rico. First Health Services Corporation provides utilization management, pharmacy benefit administration and MMIS/ fiscal agent services to public agencies. The company's premier product offered to large, self-insured employers and the Federal Employees Health Benefits Program (FEHBP) is highlighted by 24/365 member services. This enables plan members to dial toll-free to access a real person-benefit coach or nurse.

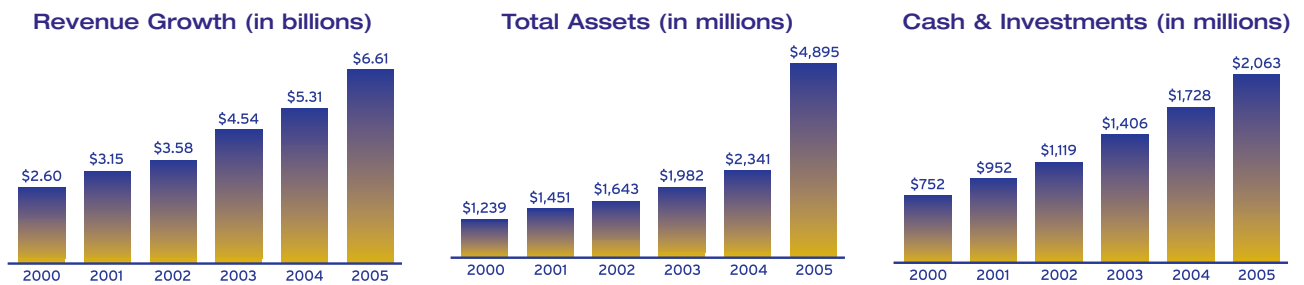
As a national organization, we continually benefit from our ability to bring "best practices" to each of our markets. For example, our approach to medical management and our commitment to investing in technology allow us to more effectively service our customers and deliver increased value.

For more details about Coventry, visit our website at [www.cvty.com](http://www.cvty.com).

<sup>1</sup> As of December 31, 2005



Coventry has an outstanding record of profitable growth-as evidenced by the organization's steadily increasing premium revenues. The company's total assets and cash and investments are two indicators that reflect its conservative balance sheet.



## A Solid Financial Foundation

As a publicly traded and heavily regulated company, Coventry's financial progress and results are public information. Two excellent sources of information are Coventry's Annual Report and required SEC filings...updated copies of which can be easily accessed through the website at [www.cvty.com](http://www.cvty.com).

Beyond these indicators, most states have adopted, based on recommendations from the National Association of Insurance Commissioners (NAIC), a risk based capital (RBC) formula for determining minimum surplus levels of capital (net worth) requirements. Coventry's own internal policy is to maintain an aggregate capital position that is 150% of state requirements.

As a result, at year-end 2005, Coventry's actual (Statutory) capital position was above and beyond both state and internal requirements:

<b>2005 State RBC Requirement:</b>	<b>\$370.3 million</b>
<b>Coventry's Internal Policy Requirement:</b>	<b>\$555.4 million</b>
<b>Coventry's Statutory Capital:</b>	<b>\$868.3 million</b>
<b>Excess Capital over RBC:</b>	<b>\$498.0 million</b>

*Coventry is a customer-driven organization that seeks to hire and retain the best employees in our service industry. Collectively, Coventry and its subsidiaries now employ approximately 10,000 men and women.*

*Coventry focuses on implementing the basics of our business by maintaining financial security, upholding high quality standards, providing superior customer service and being innovative in all areas of business. We commit to doing all of this with the highest degree of integrity.*

### Coventry Is...

- Altius Health Plans, Inc.
- Carelink Health Plans, Inc.
- CCN Managed Care, Inc.
- Coventry Health and Life Insurance Company
- Coventry Health Care plans
- First Health Group Corp.
- First Health Services Corporation
- Group Health Plan, Inc.
- HealthAmerica Pennsylvania, Inc.
- HealthAssurance Pennsylvania, Inc.
- HealthCare USA of Missouri, LLC
- OmniCare Health Plans, Inc.
- PersonalCare Insurance of Illinois, Inc.
- PPO Oklahoma, Inc.
- SouthCare PPO, Inc.
- Southern Health Services, Inc.
- WellPath Select, Inc.



### As Reported In...

Various publications chart the financial progress and strength of American businesses. By virtue of its financial position, Coventry has been named to several prestigious lists in leading business publications. For updated information, please visit our website at [www.cvty.com](http://www.cvty.com).



# Coventry Health Care, Inc. ... As Reported In ...

Coventry Health Care, Inc. ("Coventry") is a financially strong company with a conservative balance sheet and outstanding record of growth. Coventry is a publicly traded company, listed on the New York Stock Exchange under the symbol: **CVH**. In August, 2005, Coventry was added to the Standard & Poor's 500 Index (the S&P 500).

As a publicly traded company, Coventry is required to provide regular filings with the Securities Exchange Commission (SEC). Considerable public information on the company can also be found on our website: [www.cvty.com](http://www.cvty.com).

Such information is also used by various publications to chart the financial progress and strength of American businesses. By virtue of its track record, Coventry has been named to several prestigious lists in leading business publications, including:

## **Barron's 500 — 2002, 2003, 2004, 2005 and 2006**

Barron's is The Dow Jones Business and Financial Weekly. Each year, Barron's grades the 500 largest publicly traded U.S. and Canadian companies (measured by sales), with evaluation methodology that includes a proprietary measurement tool: "cash flow return on investment" (CFROI). This measures "the real returns of all capital invested in the company, stripped of inflation effects and accounting practices, which could distort real earnings." **Coventry is the only company to be ranked in the top 40 of every Barron's 500 list from 2002 through 2006.** Coventry achieved the #1 overall spot in 2003, and the #3 overall spot in 2005. Through the years, Barron's has made particular note of Coventry's focus on keeping costs down and the company's "innovative use" of information technology.

## **Business Week 50 — 2006 and 2007**

When Coventry was first named to the Standard & Poor's 500 Index in 2005, it became eligible for consideration in Business Week's annual listing of top performing S&P 500 companies. Coventry indeed earned Business Week's recognition in 2006, and then *returned* to the publication's select list in 2007 ... this time as the lone managed health care company appearing. "Only the best performers" from each of the ten sectors that make up the S&P 500 were chosen according to Business Week, "to ensure that the BW50 was rewarding true management excellence and not just the ability to ride the wake of a hot sector."

## **Forbes Platinum 400 — 2002, 2003, 2004, 2005 and 2006**

The Forbes Platinum 400 identifies "The Best Big Companies in America" from a universe of publicly traded companies with revenues of at least \$1 billion. In naming corporations to the Platinum 400, Forbes evaluates both the long-term and short-term results of those organizations. Among all companies named to Forbes' list in the category of Health Care Equipment & Services, Coventry was recognized in the 2005 edition as having had the highest 5-yr annualized total return, a distinction the company *repeated* in the 2006 edition.

## **Fortune 500 — 2002, 2003, 2004, 2005 and 2006**

For nearly 50 years, Fortune magazine's lists of the country's largest corporations have been a measure of corporate leadership and achievement. Coventry was selected for the Fortune 500 list for the first time in April, 2002. In returning to the list the next year, Coventry's position improved from #487 to #439, making it one of the 50 companies that climbed the most in the rankings. In the 2004 edition, Coventry was one of just twelve companies to repeat among the top 50 companies that climbed, landing at position #386. In Fortune's 2005 listing, Coventry again improved its ranking, to position #371. **In 2006, Coventry re-surfaced for the third time in four years as one of the top 50 companies that climbed ...** landing this time at spot #328. Among all Fortune 500 companies, Coventry was also cited in the 2006 edition as having ranked #17 for highest total return to shareholders over the prior five-year period.

## **Wall Street Journal 1000 — 2003, 2004, 2005 and 2006**

In its eleventh annual *Shareholder Scoreboard*, The Wall Street Journal again named Coventry to its list, and ranked the company #2 based on five-year performance among all health plans nationally. Coventry had ranked #1 in this category in both the 2005 and 2004 editions.



As a publicly traded company that operates in a heavily regulated industry, considerable public information exists on the financial progress and results of Coventry Health Care, Inc. (Coventry). As but two examples, excellent sources of information are Coventry's [Annual Report](#) and required SEC filings... updated versions of which can always be easily accessed through our website, at [www.cvty.com](http://www.cvty.com).

A review of our finances reveals Coventry is a financially strong company with a conservative balance sheet and outstanding record of profitable growth. For the year-ended December 2002, Coventry had total members of 2.03 million, total revenues of \$3.58 billion, total cash and investments of \$1.12 billion, and total assets of \$1.64 billion.

Highlights of a five-year snapshot of Coventry financial progress and strength include:

- Cash and invested assets have grown 366% since 1997.
- Total assets have grown 238% since 1997.
- Total revenues have grown at an average rate of 24% since 1997.
- Tangible net worth has grown from \$9 million in 1997 to \$377 million in 2002.

Because of our organization's demonstrated performance, Coventry has been named to:

- The [Fortune 500](#) (2002 and 2003);
- The [Forbes Platinum 400](#) (2002 and 2003);
- The [Barron's 500](#) (2002 and 2003 ... named the **#1 Company** in 2003)
- The [Fortune 40](#) (One of only four companies to make this prestigious list in **BOTH** 2002 and 2003).

Ongoing, independent, review of Coventry's finances also occurs. A.M. Best is the exclusive financial rating agency Coventry has chosen to work with on an interactive basis, to rate its HMO subsidiaries, Coventry Health and Life Insurance Company, and HealthAssurance Pennsylvania, Inc. Coventry first received ratings from A.M. Best in 2002.

A.M. Best ratings fall into one of three categories: "Secure," "Vulnerable," or "Not rated." **Each of Coventry's subsidiaries has received a score deemed by A.M. Best to be in the category of "Secure."** A.M. Best describes secure health-care organizations as having a strong or good long-term ability to meet their obligations to members and policyholders. Those classified in the secure rating categories maintain a level of financial strength that is "not vulnerable to unfavorable changes in the business, economic or regulatory environment."

A.M. Best has assigned financial strength ratings of B++ or B+ (Very Good) to each of Coventry's subsidiaries. This includes Coventry's newest health plan, Altius Health Plans, which realized an upgrade in its rating to B+, concurrent with being acquired by Coventry. A.M. Best has also assigned "positive outlooks" in 2003 to Coventry Health Care of Nebraska, Southern Health Services, Inc., and WellPath Select, Inc.

A.M. Best has called the parent company's financial flexibility good, and has recognized that Coventry has "the intention and ability" to support its subsidiaries with capital contributions as required by each state's Department of Insurance. The rating agency has also made specific note of Coventry's "conservative debt to capital ratio" of 18.3% as of June 30, 2003.

In naming Coventry "valedictorian" of its 2003 listing of the 500 biggest U.S. and Canadian companies, [Barron's](#) made particular note of our company's ability to continue to achieve membership growth "while holding selling, general and administrative costs firmly in check." Such discipline will continue to help reinforce Coventry's strong financial position, and provide the assurance of uninterrupted services.



**COVENTRY**  
is a **FINANCIALLY**  
**STRONG**  
company with a  
conservative balance  
sheet and record of  
**OUTSTANDING**  
profitable growth.

Coventry's  
[Annual Report](#)  
and additional  
information is  
available through  
the website at  
[www.cvty.com](http://www.cvty.com).