

**Humana Inc.: Suggested Questions**

1. Do you think Humana's problems are serious enough to warrant some form of restructuring?
2. How much extra value would be created by separating the hospital and health plan segments through a spinoff? What are the sources of this additional value, and how should the spinoff be structured for Humana to realize maximum benefits from the spinoff?
3. Kaiser Permanente has employed, with apparent success, an integrated strategy of owning both hospitals and health plans for many years. This suggests that Human's problems are not the fault of its integrated strategy per se, and that breaking apart the hospital and health plan segments may not enhance shareholder value in the long run. Do you agree or disagree?
4. Do any of the other options considered by management represent a more sensible solution to Humana's problems than the spinoff?