



Investor Presentation: November 2005

Forward Looking Statement

Certain statements in this presentation will be forward-looking statements. Certain risks and uncertainties, including those in the Company's filings with the SEC, including its annual reports on Form 10-K, may materially impact those statements and could cause actual future results to differ materially from those anticipated and discussed. Reconciliation of any non-GAAP measures discussed in this presentation will be posted on our Investor Relations website at www.cvty.com.





*Review of Third Quarter Results
and Fourth Quarter Outlook*

Consolidated Coventry Financial Performance

Q3 2005 - Solid Financial Results

- < Diluted EPS of \$0.81 up 27% over Q3 04
- < \$1.67B in Revenue – increase of 25.9% over Q3 04
- < 12.5% Operating Margin - increase of 290 bps over Q3 04
 - Industry-leading operating margin
- < Membership up 39,000 from prior quarter
 - Strong Commercial growth



Consolidated Coventry Financial Performance

Q3 2005 - Strong quality of earnings

- < Cash Flow from Operations = 146% of Net Income
 - Adjusted for extra Medicare payment

- < Days in Claims Payable for the quarter of 56.0
 - Increase of 1.3 days from prior quarter

- < Debt to Capital Ratio of 24.1%
 - Already below 2005 target of 25% debt to capital ratio



Solid Capital Structure

(Debt balance as of September 30, 2005)

Term Loan	\$100.0
Drawn Revolving Credit Facility (capacity \$350m)	0.0
8.125% Senior Notes (due 2/15/12, first call 2/15/07)	170.5
5.875% Non-Callable Senior Notes (due 1/15/12)	250.0
6.125% Non-Callable Senior Notes (due 1/15/15)	250.0
<hr/>	
Total Debt	\$770.5

Debt / Cap Ratio as of September 30, 2005 24.1%

2005 Year-End Debt/Cap Goal 25.0%



Health Plan Financial Performance: Strong and Stable

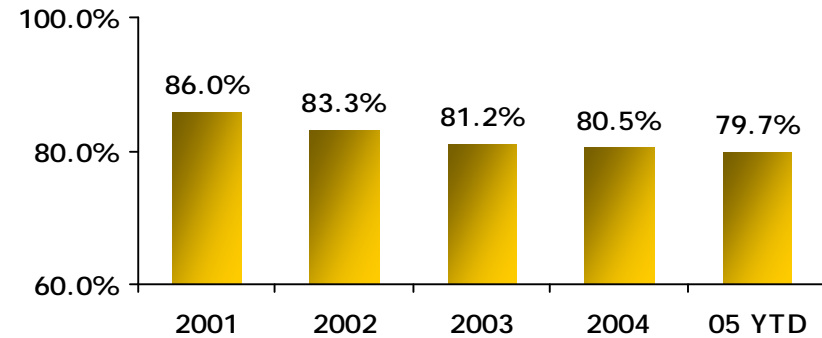
< Low Cost Structure Wins

- Industry-leading medical costs and SG&A
- Consistent, predictable cost trends

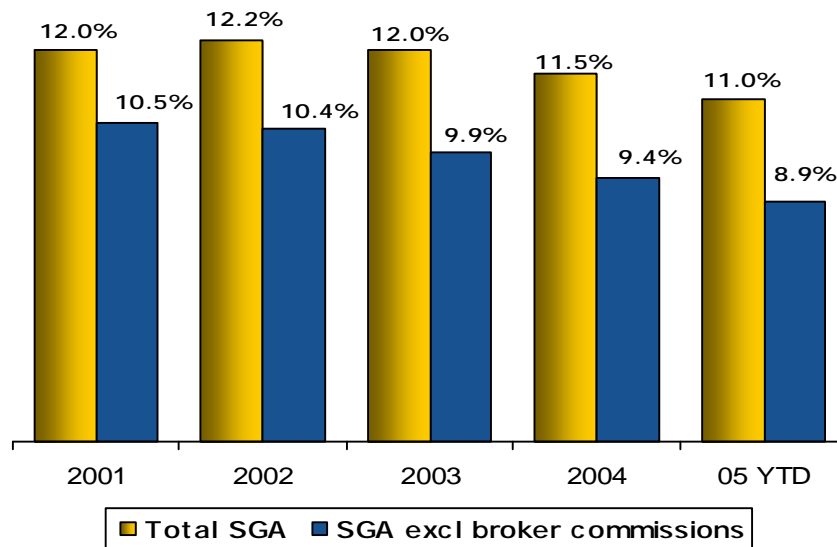
< Disciplined pricing

- Price to cost, not competition

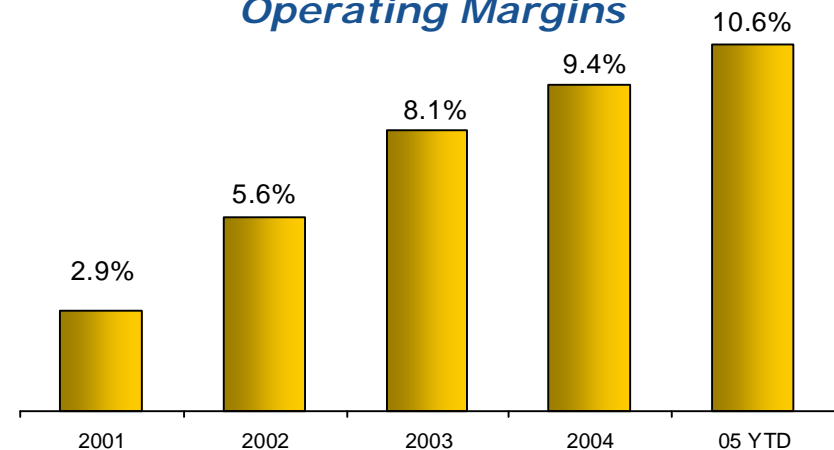
Medical Loss Ratio



SG&A % of Revenues



Operating Margins



First Health Financial Performance: On Track

< \$0.07 accretive to earnings in Q3 05

- Q1 slightly lower than expected largely due to claims backlog issues
- Q2 slightly higher than expected due to catch-up from Q1

— YTD accretion consistent with expectations

< 23.5% YTD Operating Margin

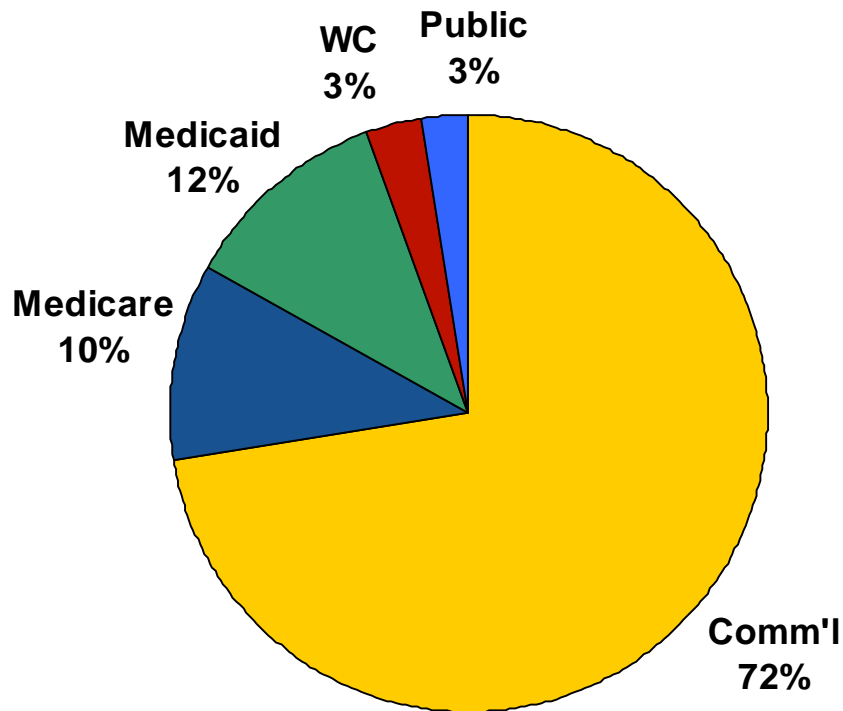
< \$589.4 million in YTD Revenues

— Consistent with Company expectations

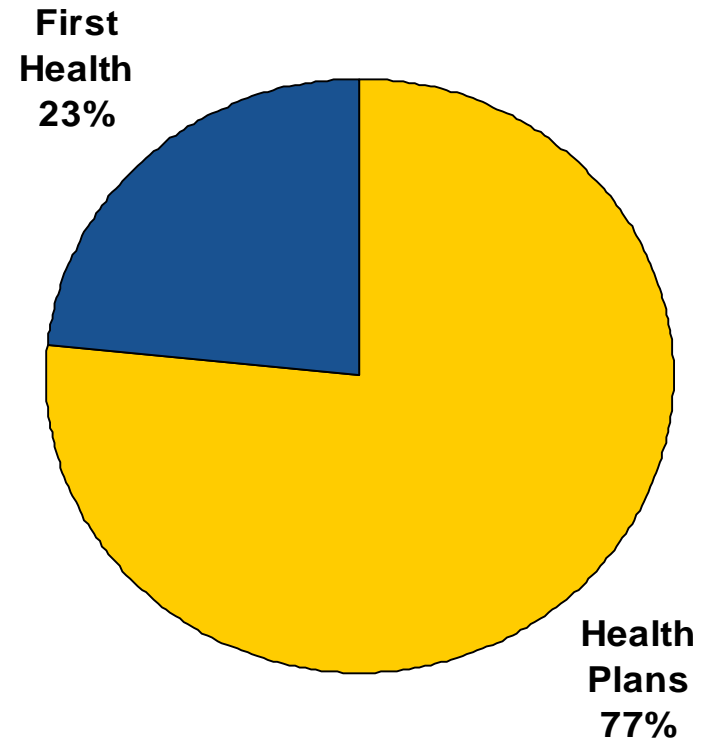


Consolidated Coventry Financial Performance

YTD 05 Revenue Mix



YTD 05 Operating Earnings Mix



* First Health revenues and earnings reflect eight months results.



Summary of Q4 2005 Guidance

- < Total Q4 Revenues of \$1.66B - \$1.70 B
- < Diluted EPS of \$0.81 to \$0.82 before the impact of Hurricane Katrina
 - Projected Full Year EPS of \$3.14 to \$3.15 before Katrina
- < Possible loss of (\$0.03) to (\$0.05) in Louisiana operations during the fourth quarter due to Hurricane Katrina
- < Projecting 1% membership growth for the full year





2006 Outlook

2006 Consolidated Guidance

- < \$7.7B - \$7.9B in revenue – increase of ~19% over 2005E (using midpoints of Q4 05 and 2006 guidance)
 - Includes \$500M - \$700M of Part D revenue

- < Health Plan membership growth of 1% – 3%
 - Adjusted for anticipated membership losses in Louisiana

- < Diluted Earnings Per Share of \$3.54 - \$3.59
 - Excludes FAS 123R impact of (\$0.13) – (\$0.14)
 - Excludes Part D contribution of \$0.02



2006 Medicare Part D: New Business

- < 600k to 800k members by year-end
 - Split between dual eligible/low income and retail members
- < \$500m to \$700m of revenue in 2006
 - Reflects membership ramp-up
 - Reflects expected quota share arrangements on retail business
 - “Ceding” of portion of complete income statement for 2 carriers
 - Approximately 15% of the retail income statement
- < Pre-tax Margins in the 3% to 4% range
- < PMPM revenue yield assumed in low to mid-\$90's
- < Expected 2006 EPS impact of + \$0.08

2006 Medicare Part D: Business Lost

- < Certain Rx business being eliminated due to Part D
- < Imbedded within Medicaid/Public Sector of First Health
- < \$31 million of revenue with higher than average margins
 - Discount Card revenue of \$12m in 2005
 - ~ 250,000 – 300,000 card members
 - Implementation & CMS Fees ~ \$9m
 - Per Script Fees ~ \$3m
 - Dual Eligible administration transaction fees of \$19m
 - Portion of existing contract volume shifting to Part D
- < Expected 2006 EPS impact of (\$0.06)

2006 EPS Guidance

Basic Guidance	\$3.54 - \$3.59
+ Part D, Net	\$0.02
- FAS 123R	(\$0.13) - (\$0.14)
= 2006 GAAP EPS	\$3.42 - \$3.48



Health Plan Earnings: 2006

- < Stable Operating Margin - in aggregate
- < If margins remain stable, earnings will grow as revenue grows
- < Important to understand how the underlying components (Commercial, Medicare, Medicaid) are moving

2006 Medical Loss Ratio Outlook

- < Medicare MLR increases 300-400 basis points
 - Part D mix within MA product, Competitive Bid in 2006
 - 80.7% YTD Q3 2005
 - Expect 10% membership growth in 2006
- < Medicaid MLR increases 150-200 basis points
 - Expecting low single digit yield increases
- < Commercial MLR improves 30-50 basis points

2006 Commercial Pricing

- < No change in our pricing philosophy
 - Prospective unit cost view
 - Conservative view on utilization and other factors
 - Add margin for error

- < Conservatism in 2006 pricing same as in 2005

2005 Commercial Performance

< Year to Date Q3 2005:

— Premium PMPM up 8.7%

— Medical Expense PMPM up 8.0%

— Commercial MLR = 78.8% - a 60 basis point improvement from YTD 2004!

< 2005 premium increases less than 2004 (~10%)

< Income Statement Commercial PMPM trend is already at 8%

Commercial Pricing Wrap-Up

- < 2006 conservatism same as 2005
- < Expect similar results
- < Slightly improving Commercial MLR

Tying it all Together

	Q3 05 YTD	FY 2006E
Commercial MLR	78.8%	Down 30-50 bps
Medicare MLR	80.7%	Up 300-400 bps
Medicaid MLR	83.7%	Up 150-200 bps
Total MLR	79.7%	Up 20-40 bps
SG&A %	11.0%	Down 20-40 bps
Operating Margin %	10.6%	Stable

2006 Outlook – First Health

Five Business Sectors:

< Workers' Compensation	}	Positioned well for revenue growth
< Medicaid/Public Sector		
< Network Rental	→	Stable
< FEHBP	→	Stable
< National Accounts	→	Revenue will decrease
< <u>Integration on track</u>		

2006 Outlook – Key Takeaways

- < GAAP EPS \$3.42 - \$3.48
 - Incorporates Part D, Katrina, and FAS 123R
- < Our pricing philosophy has not changed
- < We are pricing to at least trend in health plan commercial business
- < Expect Commercial operating margin to expand slightly, offset by increasing Medicare Advantage and Medicaid MLRs
- < Goal is to maintain overall health plan operating margin at current best-in-industry levels with acceptable growth

