

COVENTRY HEALTH CARE, INC.

CORPORATE GOVERNANCE GUIDELINES

The Nominating/Corporate Governance Committee of Board of Directors has established these Corporate Governance Guidelines to provide guidance with respect to the responsibilities of the Board of Directors (the "Board") as well as to comply with the rules of the New York Stock Exchange and good corporate governance principles. These guidelines are intended to reflect the Board's commitment to monitor the effectiveness of policy and decision making at the Board and management levels, with a view to enhancing stockholder value over the long term.

1. Director Qualifications

The Nominating/Corporate Governance Committee is responsible for reviewing with the Board, on an annual basis, the requisite skills and characteristics of new Board members as well as the composition of the Board as a whole. This assessment will include the classification of a director as independent, as well as considerations of diversity, age, skills, experience in the context of the needs of the Board, and the ability of the director to attend Board meetings regularly and devote an appropriate amount of effort in preparation for those meetings. Directors are required to submit a letter of resignation when they experience a change in employment or in other relevant matters. The Nominating/Corporate Governance Committee will review the appropriateness of continued Board membership where a director experiences a change in employment or in other relevant matters and will promptly make a recommendation to the Board of Directors as to whether or not to accept the resignation. The Board of Directors shall promptly consider the tendered resignation and the recommendation of the Nominating/Corporate Governance Committee and decide whether to accept or reject the tendered resignation.

If a nominee for director who is an incumbent director does not receive the number of votes required by the Company's bylaws for election as a director at a meeting of the Company's stockholders, and no successor has been elected, such nominee shall, within 10 days following certification of the shareholder vote, tender his or her written resignation for consideration by the Nominating/Corporate Governance Committee of the Board of Directors of the Company. The Nominating/Corporate Governance Committee shall promptly consider the tendered resignation and shall promptly recommend to the Board of Directors the action to be taken with respect to such resignation. The Board of Directors shall promptly consider the tendered resignation and the recommendation of the Nominating/Corporate Governance Committee and decide whether to accept or reject the tendered resignation. Any director who so tenders his or her resignation shall not participate in deliberations, recommendations or decisions by the Board of Directors or any committee thereof related to his or her resignation.

Directors must notify the Chairman of the Board and the Chairman of the Nominating/Corporate Governance Committee in advance of accepting an invitation to serve on another company's board of directors. The Nominating/Corporate Governance Committee may consider whether such service may negatively affect such director's ability to serve on the Board. No director may be nominated to a new term if he or she would be age 70 or older at the time of the election.

2. Director Nomination

The Nominating/Corporate Governance Committee will evaluate all nominees for directorship, including candidates nominated by stockholders in accordance with the procedures in the Company's bylaws, and will recommend to the Board the slate of nominees to be included in the Company's annual proxy statement, all in accordance with the policies and principles in its charter. The Board will determine whether the recommended nominees will be part of the Company's slate of nominees for director included in the proxy statement for the annual meeting of stockholders and, between annual meetings, will elect new directors, upon recommendation by the Committee, to fill vacancies on the Board.

3. Board Composition

The Board will have a majority of directors who meet the criteria for independence specified in New York Stock Exchange corporate governance listing standard 303A.02. Generally, no director may be considered independent unless the Board affirmatively determines that such director has no material relationship with the Company. Additionally, special rules for independence apply to directors on the Audit Committee and may apply in specific situations where a conflict of interest exists. The Company's Certificate of Incorporation provides that a majority of the members of the Board must be persons who are not present or former officers or employees of the Company or family members or affiliates of such persons.

The Board believes that eight (8) to twelve (12) members is currently the optimal size to permit diversity of experience without hindering effective discussion of issues or diminishing individual accountability. Pursuant to the Company's Certificate of Incorporation, the number of directors shall be set by the affirmative vote of a majority of the full Board, and the Board shall be divided into three classes. The Nominating/Corporate Governance Committee shall recommend whether to increase the size of the Board or whether, in the event of a vacancy for any reason, to fill such vacancy or to reduce the size of the Board.

4. Term Limits

The Board does not believe it should establish term limits. Term limits result in the loss of accumulated knowledge particular to the Company and its business. Additionally, term limits may result in the loss of the most qualified and experienced individuals. As an alternative to term limits, the Nominating/Corporate Governance Committee will review each directors qualifications and performance on the Board at least annually in connection with determining Board composition and/or whether to re-nominate a director.

5. Director Responsibilities

The basic responsibility of the directors is to oversee the business and affairs of the Company and to provide oversight with respect to the key policies and strategic direction of the Company. In the performance of their duties, the directors will exercise their business judgment to act in what they reasonably believe to be in the best interest of the Company and its stockholders. The Board may also consider the Company's ethical behavior as well as the interests of other constituents, including the Company's customers, employees and the communities in which it functions. Directors may seek information, advice or opinions from the

Company's officers and employees and from other advisers, consultants and experts, and may rely in good faith upon information, advice or opinions provided by such persons.

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. For purposes of these Corporate Governance Guidelines, confidential information includes all material non-public information relating to the Company.

It is generally the duty of management (i.e., the CEO or his designee) to speak for the Company. Absent unusual circumstances or as contemplated by the committee charters, Board members should communicate with third parties on behalf of the Company only at the request of management.

6. Meetings

Directors should seek to attend all Board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Information and data that are important to the Boards understanding of the business to be conducted at a Board or committee meeting should generally be distributed in writing to the directors before the meeting, and directors should review these materials in advance of the meeting.

The Chairman will establish the agenda for each Board meeting. Each Board member is free to suggest the inclusion of items on the agenda. Each Board member is free at any Board meeting to raise subjects that are not on the agenda for that meeting. The Board will review the Company's long-term strategic plans and the principal issues that the Company will face in the future during at least one Board meeting each year.

7. Non-Management Meetings

The non-management directors will meet in regularly scheduled executive sessions. The director who presides at these meetings shall be the Chairman if the Chairman is a non-management director, and if the Chairman is not a non-management director, will be chosen by the non-management directors, and her/his name will be disclosed in the annual proxy statement.

8. Board Committees

The Board will have at all times an Audit Committee, a Compensation Committee, and a Nominating/Corporate Governance Committee. All of the members of these committees will be independent directors under the criteria established by the New York Stock Exchange and applicable law. Committee members will be appointed by the Board upon recommendation by the Nominating/Corporate Governance Committee. Consideration should be given to rotating committee members periodically, but rotation should not be mandated as a policy.

Each committee will have its own written charter. The charters will set forth the purposes, goals and responsibilities of the committees as well as qualifications for committee

membership, procedures for committee member appointment and removal, committee structure and operations, and committee reporting to the Board.

The Chairman of each committee, in consultation with the committee members, will determine the frequency and length of the committee meetings consistent with any requirements set forth in the committees charter. The Chairman of each committee, in consultation with the appropriate members of the committee and management, will develop the committees agenda. At the beginning of the year each committee will establish a schedule of agenda subjects to be discussed during the year (to the degree these can be foreseen). The schedule for each committee will be furnished to all directors.

The Board may, from time to time, establish or maintain additional committees as necessary or appropriate.

9. Audit Committee Responsibilities and Qualifications

In general, the Audit Committee will oversee auditing and financial reporting matters. The Audit Committee also has the responsibilities set forth in the Audit Committee Charter and otherwise required by law, regulation or requirement of the New York Stock Exchange and shall produce an annual report of the Audit Committee for inclusion in the Company's proxy statement. The Audit Committee shall have responsibility for appointing, dismissing, overseeing and determining the compensation of the Company's external auditors. The Audit Committee will assist the Board in monitoring (1) the integrity of the financial statements of the Company, (2) the Company's compliance with legal and regulatory requirements and other requirements imposed on the Company by the Board, (3) the independent auditor's qualifications and independence, and (4) the performance of the Company's internal audit function and independent auditors.

An Audit Committee member cannot serve on the audit committee of more than three public companies (including the Company) unless the Board affirmatively determines (which shall be disclosed in the Company's proxy statement) that the member is able to serve effectively on the Audit Committee. Each Audit Committee member must meet the enhanced independence requirements imposed by federal law and regulations and the corporate governance listing standards of the New York Stock Exchange. Each Audit Committee member must also be financially literate as set forth in the corporate governance listing standards of the New York Stock Exchange, and at least one member must satisfy the definition of "audit committee financial expert" as set forth in Item 401(h) of Securities and Exchange Commission Regulation S-K ("Regulation S-K").

10. Compensation Committee Responsibilities and Qualifications

The Compensation Committee has the responsibilities set forth in the Compensation Committee Charter. The Compensation Committee will (1) evaluate and approve the compensation for the Chief Executive Officer and other executive and senior officers of the Company ("Senior Management") and recommend to the Board the compensation of non-management directors, (2) annually review, evaluate and approve the goals, objectives and criteria for the Company's executive compensation plans to provide for incentive based

compensation which is in alignment with the business of the Company and the interests of its stockholders, (3) produce an annual report on executive compensation for inclusion in the Company's proxy statement, (4) review and discuss with the Company's management the Compensation Discussion and Analysis required by Item 402(b) of Regulation S-K and determine, based on the Committee's discussion with management, whether to recommend to the Board that the Compensation Discussion and Analysis be included in the Company's annual report or proxy statement, and (5) perform such other functions as may be required by law, the Company's Certificate of Incorporation, its bylaws, the corporate governance listing standards of the New York Stock Exchange or delegated by the Board.

Each member of the Compensation Committee must be an independent director and otherwise satisfy, the applicable membership requirements set out in the New York Stock Exchange corporate governance listing standards.

11. Nominating/Corporate Governance Committee

The Nominating/Corporate Governance Committee has the responsibilities set forth in the Nominating/Corporate Governance Committee Charter. The Nominating/Corporate Governance Committee will (1) identify individuals, including candidates nominated by stockholders in accordance with the Company's bylaws, qualified to become members of the Board, consistent with the criteria approved by the Committee, (2) recommend to the Board, director nominees for next annual shareholder meeting, (3) develop and recommend to the board corporate governance principles applicable to the Company and oversee the Company's compliance with those principles, and (4) oversee an evaluation of the Board and management.

Each member of the Nominating/Corporate Governance Committee must meet the independence requirements imposed by the corporate governance listing standards of the New York Stock Exchange.

12. Director Access to Officers and Employees

To the extent appropriate for the discharge of their oversight function, directors may have full and free access to officers and employees of the Company. The directors will use their judgment to ensure that any such contact is not disruptive to the business operations of the Company and will copy the CEO on any written communications between a director and an officer or employee of the Company, unless the circumstances would render copying the CEO inappropriate. All information provided by the Company or Company personnel to a director should be considered confidential unless it has been publicly disclosed by the Company.

Executive officers of the Company are encouraged to attend Board meetings regularly. If the CEO wishes to have additional Company personnel attend on a regular basis, this suggestion should be brought to the Board for approval.

13. Assistance from Others.

The Board and each committee shall have the authority to engage and retain independent legal, financial or other advisors, experts or consultants, as they deem necessary, without consulting or obtaining the approval of any officer of the Company in advance.

14. Director Compensation

The Company may compensate members of the Audit Committee only for services rendered as a member of the Board or as a Board committee member. The Company will not compensate employee members of the Board for service on the Board or a Board committee.

Compensation for directors should be competitive with similarly situated companies. The form and amount of director compensation will be determined by the Compensation Committee in accordance with the policies and principles set forth in its charter, and the Compensation Committee will conduct an annual review of director compensation. The Compensation Committee is entitled to take into consideration that a director's independence may be jeopardized if compensation and perquisites exceed customary levels, if the Company makes substantial charitable contributions to organizations with which a director is affiliated, or if the Company enters into consulting contracts with (or provides other indirect forms of compensation to) a director or an organization with which the director is affiliated.

The Compensation Committee will review the form and amounts of Board compensation at least annually to ensure its competitiveness with other companies and its effectiveness in attracting qualified members.

15. Director Orientation and Continuing Education

All new directors must participate in the Company's director orientation program, which should be conducted within two months of election of a new director. This orientation will include presentations by senior management to familiarize new directors with the Company's strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its Code of Business Conduct and Ethics, its principal officers, and its internal and independent auditors. Directors are expected to meet any applicable requirements for continuing education promulgated by the New York Stock Exchange.

16. CEO Evaluation and Management Succession

The Compensation Committee will conduct an annual review of the Chief Executive Officer's (the "CEO") performance, as set forth in its charter. The Compensation Committee will consider, among other things, the goals set for the CEO and their achievement. The Board of Directors will review the Compensation Committees report in order to ensure that the CEO is providing the best leadership for the Company in the long and short-term.

The Board of Directors will consider and evaluate potential successors to the CEO and for Senior Management. The CEO should at all times make available his or her recommendations and evaluations of potential successors, along with a review of any development plans recommended for such individuals.

The Board currently has a policy of separation of the offices of Chairman and the Chief Executive Officer, with the Chairman being a non-management director.

17. Annual Performance Evaluation

The Board of Directors will conduct an annual self-evaluation to determine whether it and its committees are effective. The evaluation will focus on the Board's contribution to the Company and specifically focus on areas in which the Board or management believes that the Board could improve.

18. Maintenance of Guidelines

The Nominating/Corporate Governance Committee will review these Corporate Governance Guidelines at least annually and recommend changes to the Board. The Board will determine the changes to be made to these Corporate Governance Guidelines based upon those recommendations. In the case of any conflict between these Guidelines and the Certificate of Incorporation, Bylaws, or Committee Charters of any Board Committee, the Certificate, Bylaws, and/or Committee Charter, as the case may be, shall be controlling.

19. Conduct and Ethics Standards for Directors

Directors are subject to applicable provisions of the Company's Code of Business Conduct and Ethics. Directors, in the course of their Company duties, must comply fully with all federal and state laws applicable to the Company's businesses, and with applicable Company policies (including policies relating to use of confidential information and insider trading).

20. Publication of Corporate Governance Matters

The Company publishes on its web site (1) these Corporate Governance Guidelines, (2) the Audit Committee Charter, (3) the Compensation Committee Charter, (4) the Nominating/Corporate Governance Committee Charter, and (5) the Code of Business Conduct & Ethics. In addition, these documents are available to any shareholder of the Company who makes a request to the Secretary of the Company.