



Health Net, Inc.

HNT NYSE

Insurance - Life / Health

Market Capitalization USD:

\$2,112.18 mm

CONCERN LEVEL: HIGH

- 1 The CEO's total remuneration is within the typical market range for the relevant industry and market cap.
- 2 The ratio between the CEO's pay and the median pay of the other named executive officers is 3X or less.
- 3 The CEO's annual cash incentives rose or fell in line with annual performance.
- 4 The CEO received no more than one annual cash bonus this fiscal year.
- 5 The CEO's equity remuneration reflected the company's share price movement over the last five years.
- 6 The company only pays long-term incentives to the CEO for above median performance against a peer group.
- 7 The company's dilution from equity incentives is 10 percent or less.
- 8 Unvested equity lapses when the CEO's employment is terminated.
- 9 The CEO's potential cash severance payment is capped at two times annual cash remuneration.
- 10 The accrued benefits of the CEO's post-retirement income are within the typical market range for the relevant market cap bracket.

CEO: Jay M. Gellert

Age: 59

CEO Since: 1998

	2009	2010	2011
Base Salary	\$1,200,000	\$1,204,615	\$1,200,000
Discretionary Bonus	\$0	\$0	\$0
Annual Cash Incentive	\$1,587,600	\$1,215,000	\$1,539,000
Benefits and Perquisites	\$88,395	\$90,292	\$88,795
TOTAL ANNUAL COMPENSATION	\$2,875,995	\$2,509,907	\$2,827,795
Increase in Post-Retirement Benefits	\$767,347	\$1,793,883	\$2,758,296
Stock Option Awards	\$0	\$2,497,575	\$1,976,778
Stock Awards	\$0	\$863,588	\$2,765,610
TOTAL COMPENSATION	\$3,643,342	\$7,664,953	\$10,328,479
Median of Other Named Executive Officers Total Compensation	\$1,932,215	\$2,601,724	\$2,760,509
Value Realized on Exercise of Stock Option	\$0	\$0	\$4,394,000
Value Realized on Vesting of Stock	\$0	\$3,280,419	\$285,834
TOTAL REALIZED EQUITY COMPENSATION	\$0	\$3,280,419	\$4,679,834

Proxy Date: 6 Apr 2012

Annual Meeting Date: 22 May 2012

Equity Reserves: 16.53%

Stock Option Run Rate: 0.80%

Performance Comparison

■ S&P500 ■ Industry ■ HNT



Peer Comparisons (TRBC) = Insurance - Life / Health

Total Summary CEO Compensation

Ticker	Company Name	2009	2010	2011	Market Cap
HNT	Health Net, Inc.	\$3,643,342	\$7,664,953	\$10,328,479	\$2,112,180,857
LNC	Lincoln National Corporation	\$6,996,596	\$7,380,412	\$12,702,214	\$4,819,362,030
TMK	Torchmark Corporation	\$2,836,298	\$6,274,121	\$8,068,185	\$3,663,246,367
HS	HealthSpring, Inc.	\$3,966,635	\$5,383,377		\$2,475,651,938
WCG	WellCare Health Plans, Inc.	\$1,925,876	\$3,266,488	\$4,488,614	\$1,622,595,422
PRI	Primerica, Inc.		\$13,263,255	\$2,770,095	\$1,589,363,896
CNO	CNO Financial Group, Inc.	\$3,326,059	\$6,726,153	\$4,843,860	\$1,349,425,551

To insure consistency, peer comparisons are based on a combination of TRBC Industry and Sector classifications and company market caps. Missing peer pay figures for 2011 are due to differences in company filing schedules.

Pay Peer Group

Aetna, Inc., AMERIGROUP Corp., CIGNA Corp., Coventry Health Care, Inc., Humana, Inc., UnitedHealth Group, Inc., and WellPoint, Inc.

Performance Peer Group

NA

COMPENSATION COMMITTEE MEMBERS

Director	Membership	Age	Gender	Tenure	Independence
Bruce G. Willison	Chairman	63	Male	12	Outside Related
Marv Anne Citrino	Member	53	Female	3	Outside
Patrick Folev	Member	80	Male	15	Outside Related
Vicki B. Escarra	Member	57	Female	6	Outside