

Humana Buying CompBenefits for \$360M

by AP-News

Humana Plans to Purchase Dental and Vision Benefits Company CompBenefits for \$360M

LOUISVILLE, Ky. (AP) -- Humana Inc. announced plans Tuesday to purchase CompBenefits Corp. in a \$360 million deal that will expand the health insurer's dental care benefits plans and give it a full-service vision-care offering.

Atlanta-based CompBenefits -- which posted 2006 revenues of about \$345 million -- offers dental and vision benefit plans to more than 4.8 million members nationwide. The company serves more than 14,000 employer groups in 22 states, primarily in the South and Midwest.

"The addition of CompBenefits now gives Humana a full service vision product as well as added expertise in the large-group dental line of business," said Michael B. McCallister, Humana's president and chief executive.

Louisville-based Humana said it will use a combination of cash and debt to finance the acquisition.

Humana said it currently has about 1.5 million members through its HumanaDental plans, primarily in 38 states.

The acquisition is subject to regulatory approval and is expected to be completed in the third quarter of this year, Humana said.

Humana shares fell 8 cents to \$62.47 in morning trading.

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