

CIGNA Corporation

Health Care Segment

Business Segment Analysis with Acquired Business Reclassification

For the Quarters Ended March 31, June 30, September 30, and December 31, 2008

and for the Year Ended December 31, 2008

This document is dated April 30, 2009. The data contained in this document may not be accurate after such date and CIGNA does not undertake to update or keep it accurate after such date.



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BASIS OF PRESENTATION:

All dollar amounts are in millions, unless otherwise noted. Certain reclassifications have been made to prior year amounts to allocate the amounts previously labeled as "Acquired business" to conform with the 2009 presentation.

CIGNA measures the financial results of its segments using "segment earnings (loss)," which is defined as shareholders' income (loss) from continuing operations before net realized investment gains (losses). Adjusted income (loss) from operations is defined as segment earnings excluding special items, which are identified and quantified on page 1A, and results of CIGNA's guaranteed minimum income benefit business. Adjusted income (loss) from operations is a measure of profitability used by CIGNA's management because it presents the underlying results of operations of CIGNA's businesses and permits trend analysis. This measure is not determined in accordance with generally accepted accounting principles (GAAP) and should not be viewed as a substitute for shareholders' income (loss) from continuing operations or shareholders' net income determined in accordance with GAAP.

CIGNA Corporation
Health Care
Segment Earnings (Unaudited)

(Dollars in millions)

| | 2008 | | | | |
|---|-------------|----------|----------|----------|-----------|
| | 1Q | 2Q | 3Q | 4Q | Full Year |
| | As Reported | Proforma | Proforma | Proforma | Proforma |
| Revenues: | | | | | |
| Premiums and fees | \$ 2,704 | \$ 3,065 | \$ 2,991 | \$ 2,905 | \$ 11,665 |
| Net investment income | 47 | 53 | 54 | 46 | 200 |
| Mail order pharmacy revenues | 296 | 286 | 300 | 322 | 1,204 |
| Other revenues | 64 | 69 | 66 | 68 | 267 |
| Segment revenues | 3,111 | 3,473 | 3,411 | 3,341 | 13,336 |
| Benefits and Expenses: | | | | | |
| Health Care medical claims expense | 1,744 | 1,917 | 1,819 | 1,772 | 7,252 |
| Other benefit expenses | 49 | 53 | 49 | 42 | 193 |
| Mail order pharmacy cost of goods sold | 239 | 227 | 238 | 257 | 961 |
| Policy acquisition expenses | 33 | 33 | 34 | 38 | 138 |
| Other operating expenses excluding special items | 833 | 958 | 990 | 914 | 3,695 |
| Special items | 37 | - | - | 44 | 81 |
| Benefits and expenses | 2,935 | 3,188 | 3,130 | 3,067 | 12,320 |
| Income before income taxes | 176 | 285 | 281 | 274 | 1,016 |
| Income taxes | 62 | 104 | 94 | 92 | 352 |
| Segment earnings, after-tax | 114 | 181 | 187 | 182 | 664 |
| Less: Special items, after-tax | (24) | - | - | (27) | (51) |
| Adjusted income from operations | \$ 138 | \$ 181 | \$ 187 | \$ 209 | \$ 715 |
| Net realized investment gains (losses), net of taxes | \$ 9 | \$ (1) | \$ 15 | \$ (36) | \$ (13) |

Note: Certain reclassifications have been made to prior year amounts to allocate the amounts previously labeled as "Acquired business" to conform with the 2009 presentation.

CIGNA Corporation
Health Care
Revenue Analysis (Unaudited)

(Dollars in millions)

| | 2008 | | | | |
|--|----------|----------|----------|----------|-----------|
| | 1Q | 2Q | 3Q | 4Q | Full Year |
| | Proforma | Proforma | Proforma | Proforma | Proforma |
| Premiums: | | | | | |
| Medical: | | | | | |
| Guaranteed cost excluding voluntary / limited benefits | 890 | 898 | 857 | 858 | 3,503 |
| Voluntary / Limited Benefits | 50 | 52 | 49 | 49 | 200 |
| Experience-rated | 493 | 495 | 512 | 454 | 1,954 |
| Stop loss | 160 | 351 | 348 | 338 | 1,197 |
| Dental | 199 | 195 | 195 | 196 | 785 |
| Medicare | 95 | 101 | 104 | 100 | 400 |
| Medicare Part D | 103 | 87 | 59 | 50 | 299 |
| Other | 129 | 128 | 127 | 134 | 518 |
| Total medical | 2,119 | 2,307 | 2,251 | 2,179 | 8,856 |
| Life and other non-medical | 36 | 59 | 44 | 45 | 184 |
| Total Premiums | 2,155 | 2,366 | 2,295 | 2,224 | 9,040 |
| Fees | 549 | 699 | 696 | 681 | 2,625 |
| Mail order pharmacy revenues | 296 | 286 | 300 | 322 | 1,204 |
| Other revenues | 64 | 69 | 66 | 68 | 267 |
| Subtotal Fees, Mail order pharmacy & other revenues | 909 | 1,054 | 1,062 | 1,071 | 4,096 |
| Net investment income | 47 | 53 | 54 | 46 | 200 |
| Segment revenues | \$ 3,111 | \$ 3,473 | \$ 3,411 | \$ 3,341 | \$ 13,336 |

Note: Certain reclassifications have been made to prior year amounts to allocate the amounts previously labeled as "Acquired business" to conform with the 2009 presentation.

CIGNA Corporation
Health Care
Key Metrics (Unaudited)

(Dollars in millions)

| | 2008 | | | | |
|--|--------------------|-----------------|-----------------|-----------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | Full Year |
| OTHER OPERATING EXPENSES EXCLUDING SPECIAL ITEMS: | | | | | |
| | <u>As Reported</u> | <u>Proforma</u> | <u>Proforma</u> | <u>Proforma</u> | <u>Proforma</u> |
| Pharmacy expenses | \$ 48 | \$ 45 | \$ 45 | \$ 44 | \$ 182 |
| Medicare Part D expenses | 14 | 15 | 13 | 16 | 58 |
| Disease management expenses | 44 | 43 | 42 | 42 | 171 |
| Transformation amortization expenses | 22 | 22 | 20 | 19 | 83 |
| Voluntary / limited benefits expenses | 16 | 16 | 16 | 16 | 64 |
| Medicare claim administration | 22 | 25 | 24 | 25 | 96 |
| Great-West Integration | 6 | 15 | 18 | 16 | 55 |
| Other operating expenses | 661 | 777 | 812 | 736 | 2,986 |
| Other operating expenses excluding special items | \$ 833 | \$ 958 | \$ 990 | \$ 914 | \$ 3,695 |

| RATIOS: | 2008 | | | | |
|---|--------------------|-----------------|-----------------|-----------------|------------------|
| | 1Q | 2Q | 3Q | 4Q | Full Year |
| | <u>As Reported</u> | <u>Proforma</u> | <u>Proforma</u> | <u>Proforma</u> | <u>Proforma</u> |
| Guaranteed Cost loss ratio (excluding voluntary / limited benefits) | 83.8% | 86.0% | 83.8% | 85.7% | 84.8% |
| Guaranteed Cost loss ratio (including voluntary / limited benefits) | 82.4% | 84.9% | 82.5% | 84.0% | 83.4% |

Note: Certain reclassifications have been made to prior year amounts to allocate the amounts previously labeled as "Acquired business" to conform with the 2009 presentation.

CIGNA Corporation
Health Care
Covered Lives (Unaudited)

| | As of March 31, 2008 | As of June 30, 2008 | As of September 30, 2008 | As of December 31, 2008 |
|--|-------------------------|------------------------|--------------------------------|-------------------------------|
| ESTIMATED COVERED LIVES: | | | | |
| (Lives in thousands) | | | | |
| | <u>As Reported</u> | <u>Proforma</u> | <u>Proforma</u> | <u>Proforma</u> |
| Medical membership : | | | | |
| Guaranteed cost excluding voluntary / limited benefits | 945 | 960 | 902 | 891 |
| Voluntary / Limited Benefits | 205 | 204 | 202 | 201 |
| Medicare | 33 | 34 | 35 | 35 |
| Total guaranteed cost | 1,183 | 1,198 | 1,139 | 1,127 |
| Experience-rated | 912 | 929 | 913 | 864 |
| Service | 8,279 | 9,940 | 9,848 | 9,688 |
| Total medical membership | 10,374 | 12,067 | 11,900 | 11,679 |
| Non-medical membership : | | | | |
| Medicare Part D | 333 | 326 | 326 | 326 |
| Dental | 10,906 | 10,748 | 10,705 | 10,615 |
| Behavioral care | 18,507 | 18,583 | 18,435 | 18,316 |
| Pharmacy | 6,432 | 6,391 | 6,331 | 6,203 |

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