

# **CIGNA Corporation**

## **Quarterly Statistical Supplement September 30, 2008**

*This document is dated October 30, 2008. 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 conform with the 2008 presentation.*

*CIGNA measures the financial results of its segments using "segment earnings (loss)," which is defined as 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 beginning in 2008, also excludes results of CIGNA's guaranteed minimum income benefit business. Prior period results have been reclassified to conform to the new presentation. 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 income (loss) from continuing operations or net income determined in accordance with GAAP.*

*In the third quarter of 2008, discontinued operations included a gain of \$1 million after-tax primarily for tax settlements related to the sale of its Chilean and Guatemalan operations. In the second quarter of 2008, discontinued operations included a loss of \$1 million after-tax primarily related to the sale of its Brazilian life operations. In the first quarter of 2008, discontinued operations included a gain of \$3 million after-tax primarily related to settlement of certain issues related to a past divestiture.*

*In the third quarter of 2007, CIGNA recorded income from discontinued operations of \$2 million after-tax related to the completion of an IRS examination associated with the disposition of a business in recent years. In the second quarter of 2007, CIGNA recorded a net loss from discontinued operations of \$19 million after-tax, which consisted of a \$23 million after-tax loss associated with the sale of its Chile operations (which was completed in the third quarter of 2007) and a \$4 million after-tax gain primarily associated with the disposition of certain real estate investments. In the first quarter of 2007, CIGNA recorded income from discontinued operations of \$12 million after-tax related to the disposition of certain real estate investments.*

**CIGNA Corporation**  
**Income and Per Share Data (unaudited)**

(Dollars in millions, except per share amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>ADJUSTED INCOME (LOSS) FROM OPERATIONS (1)</b>						
Health Care	\$ 187	\$ 173	8 %	\$ 506	\$ 509	(1) %
Disability and Life	70	63	11	211	191	10
International	44	47	(6)	144	129	12
Run-off Reinsurance	(44)	37	-	(30)	53	-
Other Operations	20	30	(33)	64	80	(20)
Corporate	(31)	(29)	(7)	(81)	(78)	(4)
Total	\$ 246	\$ 321	(23) %	\$ 814	\$ 884	(8) %

**NET INCOME**

**Segment Earnings (Loss)**

Health Care (3)	\$ 187	\$ 173	8 %	\$ 482	\$ 509	(5) %
Disability and Life	70	69	1	211	197	7
International	44	49	(10)	144	131	10
Run-off Reinsurance (2)	(105)	39	-	(252)	(21)	-
Other Operations	20	35	(43)	64	85	(25)
Corporate (3)	(31)	(19)	(63)	(133)	(68)	(96)
Total	\$ 185	\$ 346	(47)	\$ 516	\$ 833	(38)
Net realized investment gains (losses), net of taxes	(15)	17	-	(18)	24	-
Income from continuing operations	\$ 170	\$ 363	(53) %	\$ 498	\$ 857	(42) %
Income (loss) from discontinued operations	1	2	(50)	3	(5)	-
Net income	\$ 171	\$ 365	(53) %	\$ 501	\$ 852	(41) %

**DILUTED EARNINGS PER SHARE**

Adjusted income from operations (1)	\$ 0.89	\$ 1.13	(21) %	\$ 2.92	\$ 3.04	(4) %
Results of guaranteed minimum income benefits business, after-tax (2)	(0.22)	0.01	-	(0.80)	(0.25)	(220)
Net realized investment gains (losses), net of taxes	(0.05)	0.06	-	(0.07)	0.08	-
Special items, after-tax (3)	-	0.08	-	(0.27)	0.08	-
Income from continuing operations	\$ 0.62	\$ 1.28	(52) %	\$ 1.78	\$ 2.95	(40) %
Income (loss) from discontinued operations	-	-	-	0.02	(0.01)	-
Net income	\$ 0.62	\$ 1.28	(52) %	\$ 1.80	\$ 2.94	(39) %
Weighted Average Shares (in thousands)	274,842	284,462	(3) %	279,072	290,233	(4) %

(1) Adjusted income (loss) from operations is segment earnings (loss) (income (loss) from continuing operations before net realized investment gains (losses)) excluding results of CIGNA's guaranteed minimum income benefits business and special items. See page 1A for a detailed reconciliation of adjusted income (loss) from operations to segment earnings (loss), consolidated income from continuing operations and consolidated net income presented in accordance with generally accepted accounting principles.

(2) The nine months ended September 30, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts recorded in the first quarter of 2008. The nine months ended September 30, 2007 include a pre-tax charge of \$86 million (\$56 million after-tax) related to guaranteed minimum income benefits reserves recorded in the second quarter of 2007.

(3) The nine months ended September 30, 2008 include a pre-tax charge of \$80 million (\$52 million after-tax) in Corporate for the second quarter of 2008 and a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care for the first quarter of 2008, both of which related to litigation matters. Includes income tax benefit of \$23 million for the third quarter and nine months of 2007 related to the completion of an IRS examination.

**CIGNA Corporation**  
**Supplemental Financial Information (unaudited)**  
**Reconciliation of Adjusted Income from Operations to GAAP Net Income**

*(Dollars in millions, except per share amounts)*

Quarterly Results:	Diluted Earnings Per Share (1)			Consolidated			Health Care			Disability & Life			International			Run-off Reinsurance			Other Operations			Corporate		
	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08	3Q08	3Q07	2Q08
Adjusted income (loss) from operations (2)	\$ 0.89	\$ 1.13	\$ 1.08	\$ 246	\$ 321	\$ 303	\$ 187	\$ 173	\$ 181	\$ 70	\$ 63	\$ 73	\$ 44	\$ 47	\$ 48	\$ (44)	\$ 37	\$ 8	\$ 20	\$ 30	\$ 22	\$ (31)	\$ (29)	\$ (29)
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157	(0.22)	0.01	0.12	(61)	2	34	-	-	-	-	-	-	-	-	-	(61)	2	34	-	-	-	-	-	-
Special items, after-tax:																								
Charge associated with litigation matters (5)	-	-	(0.18)	-	-	(52)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(52)
Income tax benefit related to the completion of an IRS examination (6)	-	0.08	-	-	23	-	-	-	-	6	-	-	-	2	-	-	-	-	-	5	-	-	10	-
Segment earnings (loss) (2)	0.67	1.22	1.02	185	346	285	\$ 187	\$ 173	\$ 181	\$ 70	\$ 69	\$ 73	\$ 44	\$ 49	\$ 48	\$ (105)	\$ 39	\$ 42	\$ 20	\$ 35	\$ 22	\$ (31)	\$ (19)	\$ (81)
Net realized investment gains (losses), net of taxes	(0.05)	0.06	(0.04)	(15)	17	(12)																		
Income from continuing operations (3)	0.62	1.28	0.98	170	363	273																		
Income (loss) from discontinued operations	-	-	(0.01)	1	2	(1)																		
Net income (3)	\$ 0.62	\$ 1.28	\$ 0.97	\$ 171	\$ 365	\$ 272																		

Nine Months Ended September 30,	Diluted Earnings Per Share (1)		Consolidated		Health Care		Disability & Life		International		Run-off Reinsurance		Other Operations		Corporate	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
Adjusted income (loss) from operations (2)	\$ 2.92	\$ 3.04	\$ 814	\$ 884	\$ 506	\$ 509	\$ 211	\$ 191	\$ 144	\$ 129	\$ (30)	\$ 53	\$ 64	\$ 80	\$ (81)	\$ (78)
Results of guaranteed minimum income benefits business, after-tax:																
Charge on adoption of SFAS No. 157	(0.47)	-	(131)	-	-	-	-	-	-	-	(131)	-	-	-	-	
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157 (4)	(0.33)	(0.25)	(91)	(74)	-	-	-	-	-	-	(91)	(74)	-	-	-	
Total	(0.80)	(0.25)	(222)	(74)	-	-	-	-	-	-	(222)	(74)	-	-	-	
Special items, after-tax:																
Charges associated with litigation matters (5)	(0.27)	-	(76)	-	(24)	-	-	-	-	-	-	-	-	-	(52)	
Income tax benefit related to the completion of an IRS examination (6)	-	0.08	-	23	-	-	-	6	-	2	-	-	-	5	-	10
Segment earnings (loss) (2)	1.85	2.87	516	833	\$ 482	\$ 509	\$ 211	\$ 197	\$ 144	\$ 131	\$ (252)	\$ (21)	\$ 64	\$ 85	\$ (133)	\$ (68)
Net realized investment gains (losses), net of taxes	(0.07)	0.08	(18)	24												
Income from continuing operations (3)	1.78	2.95	498	857												
Income (loss) from discontinued operations	0.02	(0.01)	3	(5)												
Net income (3)	\$ 1.80	\$ 2.94	\$ 501	\$ 852												

(1) All earnings per share figures have been adjusted to reflect the three-for-one stock split of CIGNA's common shares effective June 4, 2007.

(2) CIGNA measures the financial results of its segments using "segment earnings (loss)," which is defined as income (loss) from continuing operations before net realized investment gains (losses). Adjusted income (loss) from operations is defined as segment earnings excluding special items, and beginning in 2008, also excludes results of CIGNA's guaranteed minimum income benefit business. Prior period results have been reclassified to conform to the new presentation.

(3) Income from continuing operations and net income are presented in accordance with generally accepted accounting principles (GAAP).

(4) The nine months ended September 30, 2007 include a pre-tax charge of \$86 million (\$56 million after-tax) related to guaranteed minimum income benefits reserves recorded in the second quarter of 2007.

(5) The nine months ended September 30, 2008 include a pre-tax charge of \$80 million (\$52 million after-tax) in Corporate for the second quarter of 2008 and a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care for the first quarter of 2008, both of which related to litigation matters.

(6) Includes income tax benefit of \$23 million for the third quarter and nine months of 2007 related to the completion of an IRS examination.

**CIGNA Corporation**  
**Consolidated Income Statements (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees	\$ 4,112	\$ 3,744	10 %	\$ 12,165	\$ 11,209	9 %
Net investment income	272	281	(3)	802	840	(5)
Mail order pharmacy revenues (1)	300	278	8	882	826	7
Other revenues (2)	191	83	130	463	256	81
Net realized investment gains (losses)	(23)	27	-	(28)	37	-
<b>Total revenues</b>	<b>4,852</b>	<b>4,413</b>	<b>10</b>	<b>14,284</b>	<b>13,168</b>	<b>8</b>
<b>Benefits and Expenses:</b>						
Health Care medical claims expense	1,806	1,659	9	5,450	5,107	7
Other benefit expenses	1,062	837	27	2,907	2,507	16
Mail order pharmacy cost of goods sold	238	225	6	704	669	5
Policy acquisition expenses	120	107	12	361	295	22
Guaranteed minimum income benefits expense (3)	98	-	-	353	120	194
Other operating expenses excluding special items (4)	1,296	1,083	20	3,674	3,227	14
Special items (5)	-	-	-	117	-	-
<b>Total benefits and expenses</b>	<b>4,620</b>	<b>3,911</b>	<b>18</b>	<b>13,566</b>	<b>11,925</b>	<b>14</b>
Income from continuing operations before income taxes (benefits)	232	502	(54)	718	1,243	(42)
Income taxes (benefits): (6)						
Current	65	125	(48)	274	420	(35)
Deferred	(3)	14	-	(54)	(34)	(59)
<b>Total taxes</b>	<b>62</b>	<b>139</b>	<b>(55)</b>	<b>220</b>	<b>386</b>	<b>(43)</b>
Income from continuing operations	170	363	(53)	498	857	(42)
Income (loss) from discontinued operations	1	2	(50)	3	(5)	-
<b>Net income</b>	<b>\$ 171</b>	<b>\$ 365</b>	<b>(53) %</b>	<b>\$ 501</b>	<b>\$ 852</b>	<b>(41) %</b>

(1) Reflects revenues for non-risk pharmacy mail order fulfillment services.

(2) Includes a pre-tax gain of \$70 million for the third quarter of 2008, a pre-tax gain of \$118 million for the nine months of 2008, a pre-tax loss of \$11 million for the third quarter of 2007, and a pre-tax loss of \$46 million for the nine months of 2007 from futures contracts entered into as part of a program to manage equity risks in CIGNA's run-off reinsurance operations. CIGNA recorded corresponding offsets in benefits and expenses to adjust liabilities for reinsured guaranteed minimum death benefit contracts.

(3) The nine months ended September 30, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts recorded in the first quarter of 2008. The nine months ended September 30, 2007 include a pre-tax charge of \$86 million (\$56 million after-tax) related to guaranteed minimum income benefits reserves recorded in the second quarter of 2007.

(4) Beginning in 2008, other operating expenses excludes expenses for CIGNA's guaranteed minimum income benefit business. Prior period results have been reclassified to conform to the new presentation.

(5) The nine months ended September 30, 2008 include a pre-tax charge of \$80 million (\$52 million after-tax) in Corporate for the second quarter of 2008 and a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care for the first quarter of 2008, both of which related to litigation matters.

(6) Includes income tax benefit of \$23 million for the third quarter and nine months of 2007 related to the completion of an IRS examination. This amount is noted as a special item on page 1A.

**CIGNA Corporation**  
**Consolidated Balance Sheets**

(Dollars in millions)

	As of September 30, 2008 (unaudited)	As of December 31, 2007		As of September 30, 2008 (unaudited)	As of December 31, 2007
<b>Assets</b>			<b>Liabilities</b>		
Investments:					
Fixed maturities, at fair value (1) (amortized cost, \$11,777 and \$11,409)	\$ 11,892	\$ 12,081	Contractholder deposit funds	\$ 8,555	\$ 8,594
Equity securities, at fair value (cost, \$140 and \$127)	127	132	Future policy benefits	8,069	8,147
Commercial mortgage loans (2)	3,558	3,277	Unpaid claims and claim expenses	4,089	4,127
Policy loans	1,553	1,450	Health Care medical claims payable	1,054	975
Real estate	51	49	Unearned premiums and fees	457	496
Other long-term investments	576	520	Total insurance and contractholder liabilities	<u>22,224</u>	<u>22,339</u>
Short-term investments	<u>64</u>	<u>21</u>	Accounts payable, accrued expenses and other liabilities	5,105	4,127
Total investments	17,821	17,530	Short-term debt	315	3
			Long-term debt	2,090	1,790
			Nonrecourse obligations	14	16
			Separate account liabilities	<u>6,386</u>	<u>7,042</u>
			Total liabilities	<u>36,134</u>	<u>35,317</u>
			<b>Shareholders' Equity</b>		
Cash and cash equivalents	1,078	1,970	Common stock	88	88
Accrued investment income	251	233	Additional paid-in capital	2,498	2,474
Premiums, accounts and notes receivable	1,627	1,405	Net unrealized (depreciation) appreciation - fixed maturities	\$ (107)	\$ 140
Reinsurance recoverables	7,048	7,331	Net unrealized appreciation - equity securities	9	7
Deferred policy acquisition costs	816	816	Net unrealized depreciation - derivatives	(16)	(19)
Property and equipment	791	625	Net translation of foreign currencies	(18)	61
Deferred income taxes, net	1,010	794	Postretirement benefits liability adjustment	<u>(122)</u>	<u>(138)</u>
Goodwill	2,859	1,783	Accumulated other comprehensive income (loss)	(254)	51
Other assets, including other intangibles	1,089	536	Retained earnings	7,582	7,113
Separate account assets	6,386	7,042	Less treasury stock, at cost	<u>(5,272)</u>	<u>(4,978)</u>
			Total shareholders' equity	4,642	4,748
Total	\$ 40,776	\$ 40,065	Total	\$ 40,776	\$ 40,065

(1) Refer to the Summary of Fixed Maturities - Asset Quality / Type - Fair Value exhibit on page 4 and Summary of Fixed Maturities - Analysis of Amortized Cost vs. Fair Value exhibit on page 5.

(2) Refer to the Summary of Commercial Mortgage Loan Distribution exhibit by property type and geographic region on page 6.

**CIGNA Corporation**  
**Summary of Fixed Maturities (unaudited)**  
**Asset Quality / Type**  
**Fair Value**

(Dollars in millions)

Sector	As of September 30, 2008				As of December 31, 2007			
	Public	Private	Total (1)		Public	Private	Total (1)	
United States Government	\$ 655	\$ -	\$ 655	6%	\$ 628	\$ -	\$ 628	5%
States and Local Government	2,392	7	2,399	20%	2,481	8	2,489	21%
Foreign Government	781	60	841	7%	808	74	882	7%
Government	3,828	67	3,895	33%	3,917	82	3,999	33%
Basic Industry	411	835	1,246	10%	403	804	1,207	10%
Capital Goods	275	693	968	8%	292	671	963	8%
Communications	414	129	543	5%	413	139	552	4%
Consumer	538	824	1,362	11%	600	717	1,317	11%
Electric and Utility	272	537	809	7%	211	597	808	7%
Energy and Natural Gas	279	628	907	8%	258	595	853	7%
Financial	995	354	1,349	11%	1,215	377	1,592	13%
Other	87	8	95	1%	118	9	127	1%
Corporate	3,271	4,008	7,279	61%	3,510	3,909	7,419	61%
Collateralized Debt Obligations	21	-	21	0%	14	-	14	0%
Credit Card	24	-	24	0%	24	-	24	0%
Home Equity	2	-	2	0%	3	-	3	0%
Foreign Bank Obligations	-	397	397	4%	-	378	378	4%
Other	-	56	56	0%	-	23	23	0%
Asset-Backed Securities	47	453	500	4%	41	401	442	4%
Commercial Mortgage-Backed Securities	146	-	146	1%	218	-	218	2%
Collateralized Mortgage Obligations	70	2	72	1%	1	2	3	0%
<b>Total Fixed Maturities (2)</b>	<b>\$ 7,362</b>	<b>\$ 4,530</b>	<b>\$ 11,892</b>	<b>100%</b>	<b>\$ 7,687</b>	<b>\$ 4,394</b>	<b>\$ 12,081</b>	<b>100%</b>
% of Fixed Maturities	62%	38%	100%		64%	36%	100%	

(1) 91% and 93% of fixed maturities were investment grade as of September 30, 2008 and December 31, 2007 respectively. The remaining 9% and 7% of below investment grade holdings are invested mainly in corporate debt, split relatively even between public and private placements.

(2) Amortized cost, net of asset write downs, for problem and potential problem bonds, were \$66 million and \$42 million as of September 30, 2008 and December 31, 2007 respectively. For more information, please refer to CIGNA's Form 10-Q for the quarterly period ended September 30, 2008.

**CIGNA Corporation**  
**Summary of Fixed Maturities (unaudited)**  
**Analysis of Amortized Cost vs. Fair Value**

(Dollars in millions)

Sector	As of September 30, 2008				As of December 31, 2007			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 378	\$ 278	\$ 1	\$ 655	\$ 345	\$ 283	\$ -	\$ 628
States and Local Government	2,387	50	38	2,399	2,362	130	3	2,489
Foreign Government	835	24	18	841	868	32	18	882
<b>Government</b>	<b>3,600</b>	<b>352</b>	<b>57</b>	<b>3,895</b>	<b>3,575</b>	<b>445</b>	<b>21</b>	<b>3,999</b>
Basic Industry	1,261	26	41	1,246	1,171	50	14	1,207
Capital Goods	999	16	47	968	933	38	8	963
Communications	550	12	19	543	519	36	3	552
Consumer	1,397	17	52	1,362	1,284	48	15	1,317
Electric and Utility	811	26	28	809	772	42	6	808
Energy and Natural Gas	902	27	22	907	799	59	5	853
Financial	1,468	10	129	1,349	1,590	31	29	1,592
Other	87	9	1	95	119	13	5	127
<b>Corporate</b>	<b>7,475</b>	<b>143</b>	<b>339</b>	<b>7,279</b>	<b>7,187</b>	<b>317</b>	<b>85</b>	<b>7,419</b>
Collateralized Debt Obligations	25	-	4	21	25	-	11	14
Credit Card	26	-	2	24	25	-	1	24
Home Equity	2	-	-	2	3	-	-	3
Foreign Bank Obligations	362	36	1	397	354	28	4	378
Other	58	-	2	56	23	1	1	23
<b>Asset-Backed Securities</b>	<b>473</b>	<b>36</b>	<b>9</b>	<b>500</b>	<b>430</b>	<b>29</b>	<b>17</b>	<b>442</b>
Commercial Mortgage-Backed Securities	156	1	11	146	214	6	2	218
Collateralized Mortgage Obligations	73	-	1	72	3	-	-	3
<b>Total Fixed Maturities</b>	<b>\$ 11,777</b>	<b>\$ 532</b>	<b>\$ 417</b>	<b>\$ 11,892</b>	<b>\$ 11,409</b>	<b>\$ 797</b>	<b>\$ 125</b>	<b>\$ 12,081</b>

**CIGNA Corporation**  
**Summary of Commercial Mortgage Loan Distribution (unaudited)**  
**As of September 30, 2008**

(Dollars in millions)

Geographic Region	Property Type							Total (1)	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	254	176	13	18	16	-	477	13%	
Connecticut	-	25	8	-	21	-	54	2%	
<b>New England</b>	<b>\$ 254</b>	<b>\$ 201</b>	<b>\$ 21</b>	<b>\$ 18</b>	<b>\$ 37</b>	<b>\$ -</b>	<b>\$ 531</b>	<b>15%</b>	
New York	97	-	-	48	-	20	165	4%	
Other (3)	44	52	-	39	-	-	135	4%	
<b>Middle Atlantic</b>	<b>141</b>	<b>52</b>	<b>-</b>	<b>87</b>	<b>-</b>	<b>20</b>	<b>300</b>	<b>8%</b>	
Florida	13	35	132	9	65	-	254	7%	
Georgia	11	74	81	30	16	-	212	6%	
South Carolina	-	12	136	-	-	-	148	4%	
Virginia	-	31	-	75	22	-	128	4%	
Other (3)	20	18	-	-	-	-	38	1%	
<b>South Atlantic</b>	<b>44</b>	<b>170</b>	<b>349</b>	<b>114</b>	<b>103</b>	<b>-</b>	<b>780</b>	<b>22%</b>	
Texas	66	90	-	-	48	-	204	6%	
Tennessee	-	11	1	50	37	-	99	3%	
Other (3)	128	18	44	-	20	-	210	6%	
<b>Central</b>	<b>194</b>	<b>119</b>	<b>45</b>	<b>50</b>	<b>105</b>	<b>-</b>	<b>513</b>	<b>15%</b>	
Colorado	72	149	26	44	-	-	291	8%	
Other (3)	34	-	3	4	-	-	41	1%	
<b>Mountain</b>	<b>106</b>	<b>149</b>	<b>29</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>9%</b>	
California	365	233	15	117	126	24	880	25%	
Washington	15	65	8	-	71	-	159	4%	
Oregon	-	-	48	15	-	-	63	2%	
<b>Pacific</b>	<b>380</b>	<b>298</b>	<b>71</b>	<b>132</b>	<b>197</b>	<b>24</b>	<b>1,102</b>	<b>31%</b>	
<b>Totals</b>	<b>\$ 1,119</b>	<b>\$ 989</b>	<b>\$ 515</b>	<b>\$ 449</b>	<b>\$ 442</b>	<b>\$ 44</b>	<b>\$ 3,558</b>	<b>100%</b>	
% of Mortgage Loans	32%	28%	14%	13%	12%	1%	100%		

Loan to Value % (2)	Property Type							Total (1)	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
	<b>62%</b>	<b>70%</b>	<b>69%</b>	<b>56%</b>	<b>60%</b>	<b>60%</b>	<b>64%</b>		
<b>Origination Years</b>									
Pre-2005	\$ 344	\$ 251	\$ 149	\$ 52	\$ 227	\$ -	\$ 1,023	29%	
2005	205	179	120	170	64	-	738	21%	
2006	276	415	173	98	83	44	1,089	31%	
2007	211	114	-	25	20	-	370	10%	
2008	83	30	73	104	48	-	338	9%	
<b>Totals</b>	<b>\$ 1,119</b>	<b>\$ 989</b>	<b>\$ 515</b>	<b>\$ 449</b>	<b>\$ 442</b>	<b>\$ 44</b>	<b>\$ 3,558</b>	<b>100%</b>	

Loan to Value Distribution (2)		
Loan to Value Ratios	Amortized Cost	% of Mortgage Loans
Below 50%	\$ 648	18%
50% to 59%	550	15%
60% to 69%	985	28%
70% to 79%	1,066	30%
80% to 89%	307	9%
90% to 99%	2	0%
100% or above	-	0%
<b>Totals</b>	<b>\$ 3,558</b>	<b>100%</b>

(1) Potential problem commercial mortgage loan amortized cost, net of valuation reserves, was \$91 million and \$70 million respectively as of September 30, 2008 and December 31, 2007. For more information, please refer to the Investment Summary in the Management's Discussion and Analysis section of CIGNA's quarterly Form 10-Q.

(2) Valuations are internal estimates based on the most recent full year audited financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are determined as part of an annual review process which was completed during the third quarter 2008.

(3) Represents states in a region with a concentration of less than 3%.

**CIGNA Corporation**  
**Stock and Balance Sheet Analyses (unaudited)**

<i>(In millions, except per share data)</i>		Three Months Ended September 30,		Nine Months Ended September 30,	
		2008	2007	2008	2007
Price range of common stock:	High	\$ 44.13	\$ 54.70	\$ 56.98	\$ 56.87
	Low	\$ 31.76	\$ 43.65	\$ 31.76	\$ 42.33
Market price (as of end of period)				\$ 33.98	\$ 53.29
Dividends declared per share		\$ -	\$ 0.010	\$ 0.040	\$ 0.028
Common dividends declared		\$ -	\$ 3	\$ 11	\$ 8

	As of September 30,		As of December 31,
	2008	2007	2007
Common shares outstanding (in thousands)	272,252	279,157	279,588
Book value per share	\$ 17.05	\$ 15.17	\$ 16.98

*Note: All share and per share amounts have been adjusted to reflect the three-for-one stock split of CIGNA's common shares effective June 4, 2007.*

**CIGNA Corporation**  
**Condensed Consolidated Statements of Cash Flows (unaudited)**

*(Dollars in millions)*

	Nine Months Ended September 30,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 501	\$ 852
Adjustments to reconcile net income to net cash provided by operating activities:		
(Income) loss from discontinued operations	(3)	5
Insurance liabilities	185	17
Reinsurance recoverables	47	59
Deferred policy acquisition costs	(74)	(79)
Premiums, accounts and notes receivable	16	(120)
Other assets	(425)	(125)
Accounts payable, accrued expenses and other liabilities	717	76
Current income taxes	(5)	54
Deferred income taxes	(54)	(34)
Realized investment gains	28	(37)
Depreciation and amortization	181	147
Gains on sales of businesses (excluding discontinued operations)	(28)	(36)
Commercial mortgage loans originated and held for sale	-	(5)
Proceeds from sales of mortgage loans held for sale	-	1
Other, net	(36)	(9)
Net cash provided by operating activities	1,050	766
Net cash provided by (used in) investing activities	(2,304)	93
Net cash provided by (used in) financing activities	377	(833)
Effect of foreign currency rate changes on cash and cash equivalents	(15)	3
Net increase (decrease) in cash and cash equivalents	(892)	29
Cash and cash equivalents, beginning of period	1,970	1,392
Cash and cash equivalents, end of period	\$ 1,078	\$ 1,421

**CIGNA Corporation**  
**Health Care**  
**Segment Earnings (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees	\$ 2,975	\$ 2,643	13 %	\$ 8,728	\$ 8,016	9 %
Net investment income	54	51	6	154	157	(2)
Mail order pharmacy revenues	300	278	8	882	826	7
Other revenues	82	62	32	231	186	24
Segment revenues	<u>3,411</u>	<u>3,034</u>	12	<u>9,995</u>	<u>9,185</u>	9
<b>Benefits and Expenses:</b>						
Health Care medical claims expense	1,806	1,659	9	5,450	5,107	7
Other benefit expenses	62	57	9	181	184	(2)
Mail order pharmacy cost of goods sold	238	225	6	704	669	5
Policy acquisition expenses	34	29	17	100	70	43
Other operating expenses excluding special items	990	796	24	2,781	2,367	17
Special items *	-	-	-	37	-	-
Benefits and expenses	<u>3,130</u>	<u>2,766</u>	13	<u>9,253</u>	<u>8,397</u>	10
Income before income taxes	281	268	5	742	788	(6)
Income taxes	94	95	(1)	260	279	(7)
<b>Segment earnings, after-tax</b>	187	173	8	482	509	(5)
Less: Special items, after-tax *	-	-	-	(24)	-	-
<b>Adjusted income from operations</b>	\$ 187	\$ 173	8 %	\$ 506	\$ 509	(1) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ 15	\$ 11	36 %	\$ 23	\$ 21	10 %

The third quarter and nine months of 2008 results include the impact of the Great-West Healthcare acquisition, effective April 1, 2008.

\* The nine months ended September 30, 2008 include a pre-tax charge of \$37 million (\$24 million after-tax) for the first quarter of 2008 related to litigation matters. This amount would be included in other operating expenses.

**CIGNA Corporation**  
**Health Care**  
**Revenue Analysis (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
Premiums:						
Medical:						
Commercial HMO (1)	\$ 338	\$ 514	(34) %	\$ 1,113	\$ 1,734	(36) %
Open Access / Other Guaranteed Cost (2)	506	433	17	1,498	1,212	24
Total guaranteed cost excluding voluntary / limited benefits	844	947	(11)	2,611	2,946	(11)
Voluntary / Limited Benefits	49	40	23	151	118	28
Experience-rated (3)	510	475	7	1,496	1,387	8
Dental	195	192	2	589	573	3
Medicare	104	86	21	300	261	15
Medicare Part D	59	73	(19)	249	252	(1)
Acquired business - stop loss	183	-	-	371	-	-
Other (4)	292	268	9	872	788	11
Total medical (1)	2,236	2,081	7	6,639	6,325	5
Life and other non-medical	35	55	(36)	120	194	(38)
Acquired business - excluding stop loss	24	-	-	57	-	-
Total life and other non-medical	59	55	7	177	194	(9)
Total Premiums	2,295	2,136	7	6,816	6,519	5
Fees (5)	555	507	9	1,660	1,497	11
Acquired business - fees	125	-	-	252	-	-
Total Fees	680	507	34	1,912	1,497	28
Mail order pharmacy revenues (6)	300	278	8	882	826	7
Other revenues (7)	82	62	32	231	186	24
Net investment income	54	51	6	154	157	(2)
<b>Segment revenues</b>	<b>\$ 3,411</b>	<b>\$ 3,034</b>	<b>12 %</b>	<b>\$ 9,995</b>	<b>\$ 9,185</b>	<b>9 %</b>

The third quarter and nine months of 2008 results include the impact of the Great-West Healthcare acquisition, effective April 1, 2008, referred to above as Acquired business.

(1) Includes premiums of \$1 million for the third quarter of 2007 and \$57 million for the nine months of 2007 (of which \$1 million and \$52 million, respectively, are reflected in Commercial HMO) associated with the health care members in Tucson, Arizona, which were transitioned to CIGNA as the result of a Department of Justice requirement related to the merger of two health care industry competitors. As of December 31, 2007, premiums associated with all of the members that chose to renew on CIGNA contracts are reflected in the products for which they renewed.

(2) Includes premiums associated with other risk-related products.

(3) Minimum premium funding arrangements combine insurance protection with an element of self-funding. The policyholder assumes the risk for, and self-funds, claim costs up to a predetermined aggregate, maximum amount, and CIGNA bears the risk for claim costs incurred in excess of that amount, but has the potential to recover this excess from policyholders that renew their minimum premium contracts with CIGNA. Accordingly, minimum premium funding arrangements have a risk profile similar to retrospectively experience-rated funding arrangements and therefore minimum premium members are presented with experience-rated members. The risk portion of minimum premium revenue is reported in experience-rated premium whereas the self-funding portion of minimum premium revenue is recorded in fees.

(4) Other medical premiums primarily include risk revenue for stop loss and specialty products.

(5) Fees represent administrative service fees for medical members and related specialty products and also include fees related to Medicare Part D of \$24 million for the third quarter of 2008, \$72 million for the nine months of 2008, \$17 million for the third quarter of 2007 and \$44 million for the nine months of 2007. In addition, fees include \$4 million for the third quarter of 2008, \$12 million for the nine months of 2008, and \$3 million for the third quarter and nine months of 2007 related to the Sagamore Health Network which was acquired in August 2007.

(6) Reflects revenues for non-risk pharmacy mail order fulfillment services.

(7) Includes amounts relating to Medicare Claim Administration of \$24 million for the third quarter of 2008, \$71 million for the nine months of 2008, \$23 million for the third quarter of 2007, and \$56 million for the nine months of 2007. Net of this item, Other revenues primarily reflect non-risk revenues for direct channel specialty products.

**CIGNA Corporation**  
**Health Care**  
**Key Metrics (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>OTHER OPERATING EXPENSES EXCLUDING SPECIAL ITEMS:</b>						
Pharmacy expenses (1)	\$ 45	\$ 43	5 %	\$ 138	\$ 135	2 %
Medicare Part D expenses	13	13	-	42	39	8
Disease management expenses	42	45	(7)	129	136	(5)
Transformation amortization expenses	20	22	(9)	64	67	(4)
Voluntary / limited benefits expenses (2)	16	13	23	48	45	7
Medicare claim administration	24	25	(4)	71	57	25
Acquired business expenses (3)	158	-	-	320	-	-
Other operating expenses (4)	672	635	6	1,969	1,888	4
<b>Other operating expenses excluding special items</b>	<b>\$ 990</b>	<b>\$ 796</b>	<b>24 %</b>	<b>\$ 2,781</b>	<b>\$ 2,367</b>	<b>17 %</b>

(1) Includes expenses supporting both mail order and retail pharmacy operations.

(2) Represents operating expenses of the Star HRG voluntary / limited benefits business acquired in July 2006.

(3) Acquisition of Great-West Healthcare effective April 1, 2008. Includes operating expenses, intangible amortization expenses as well as integration costs. The nine months ended September 30, 2008 includes integration expenses of \$6 million for the first quarter of 2008.

(4) Includes \$3 million of expenses for the third quarter of 2008, \$8 million for the nine months of 2008, and \$3 million for the third quarter and nine months of 2007 related to Sagamore Health Network, which was acquired in August 2007.

<b>RATIOS (5):</b>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change Better (Worse)	2008	2007	Change Better (Worse)
Guaranteed Cost loss ratio (excluding voluntary / limited benefits)	83.8 %	83.0 %	(0.8)	84.5 %	83.7 %	(0.8)
Guaranteed Cost loss ratio (including voluntary / limited benefits)	82.6 %	81.8 %	(0.8)	83.2 %	82.5 %	(0.7)

(5) The Guaranteed Cost loss ratio includes Commercial HMO and Other Guaranteed Cost medical premiums and excludes the stop loss products associated with experience-rated and service members.

**CIGNA Corporation**  
**Health Care**  
**Covered Lives (unaudited)**

<b>ESTIMATED COVERED LIVES:</b> <i>(Lives in thousands)</i>	As of September 30,		Change	As of December 31,	
	2008	2007		2007	Change
<b>Medical membership :</b>					
Guaranteed Cost:					
Commercial HMO	345	557	(38) %	523	(34) %
Medicare	35	32	9	31	13
Open Access / Other guaranteed cost (1)	526	513	3	515	2
Total guaranteed cost excluding voluntary / limited benefits (2)	906	1,102	(18)	1,069	(15)
Voluntary / Limited Benefits (3)	202	176	15	180	12
Total guaranteed cost	1,108	1,278	(13)	1,249	(11)
Experience-rated	901	898	-	907	(1)
Service (4)	8,183	8,047	2	8,013	2
Acquired business (5)	1,708	-	-	-	-
<b>Total medical membership</b>	<b>11,900</b>	<b>10,223</b>	<b>16 %</b>	<b>10,169</b>	<b>17 %</b>
<b>Non-medical membership :</b>					
Medicare Part D (6)	326	307	6 %	320	2 %
Dental (7)	10,705	10,973	(2) %	10,906	(2) %
Behavioral care (7)	18,435	17,708	4 %	17,688	4 %
Pharmacy (7)	6,331	6,440	(2) %	6,434	(2) %

(1) Includes membership associated with other risk-related products, primarily open access products.

(2) In 2006, approximately 54 thousand health care members in Tucson, Arizona were transitioned to CIGNA as the result of a Department of Justice requirement related to the merger of two healthcare industry competitors. Initially, CIGNA served as a reinsurer and subsequently worked to underwrite these customers directly on CIGNA contracts at the time of renewal. Given the unique nature of this transaction, CIGNA had not included these members in its reported medical membership until affected customers renewed on CIGNA contracts. As of December 31, 2007, all customers that were part of this transaction had come up for renewal and those that chose to renew on CIGNA contracts are included in the totals above and reflected in the products for which they renewed.

(3) Reflects members who have voluntary or other limited health care benefit coverages.

(4) Includes 293 thousand members as of September 30, 2008, 357 thousand members as of September 30, 2007, and 340 thousand as of December 31, 2007 related to Sagamore Health Network, acquired August 1, 2007.

(5) Includes members related to the acquisition of Great-West Healthcare effective April 1, 2008.

(6) Reflects members enrolled in CIGNA's Medicare Part D program, which provides access to prescription medications through a nationwide pharmacy network.

(7) Reflects members enrolled in CIGNA's dental, behavioral care or managed pharmacy programs, which provide access to services through a nationwide network. These members may also be medical members, or they may have stand-alone dental, behavioral care or pharmacy coverage.

**CIGNA Corporation**  
**Disability and Life**  
**Segment Earnings (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees:						
Life	\$ 310	\$ 287	8 %	\$ 923	\$ 854	8 %
Disability	248	252	(2)	749	702	7
Other	69	71	(3)	224	211	6
Total premiums and fees	<u>627</u>	<u>610</u>	3	<u>1,896</u>	<u>1,767</u>	7
Net investment income	65	70	(7)	193	207	(7)
Other revenues	<u>29</u>	<u>33</u>	(12)	<u>90</u>	<u>101</u>	(11)
Segment revenues	<u>721</u>	<u>713</u>	1	<u>2,179</u>	<u>2,075</u>	5
<b>Benefits and Expenses:</b>						
Benefit expenses	462	473	(2)	1,403	1,347	4
Policy acquisition expenses	1	1	-	4	5	(20)
Other operating expenses	<u>161</u>	<u>150</u>	7	<u>477</u>	<u>455</u>	5
Benefits and expenses	<u>624</u>	<u>624</u>	-	<u>1,884</u>	<u>1,807</u>	4
Income before income taxes	97	89	9	295	268	10
Income taxes (1)	<u>27</u>	<u>20</u>	35	<u>84</u>	<u>71</u>	18
<b>Segment earnings, after-tax</b>	<b>70</b>	<b>69</b>	<b>1</b>	<b>211</b>	<b>197</b>	<b>7</b>
Less: Special items, after-tax (1)	-	6	-	-	6	-
<b>Adjusted income from operations</b>	<b>\$ 70</b>	<b>\$ 63</b>	<b>11 %</b>	<b>\$ 211</b>	<b>\$ 191</b>	<b>10 %</b>
<b>Net realized investment gains (losses), net of taxes</b>	<b>\$ (17)</b>	<b>\$ -</b>	<b>- %</b>	<b>\$ (23)</b>	<b>\$ (1)</b>	<b>- %</b>

(1) Includes income tax benefit of \$6 million for the third quarter and nine months of 2007 related to the completion of an IRS examination.

**CIGNA Corporation**  
**International**  
**Segment Earnings (unaudited)**

*(Dollars in millions)*

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees	\$ 471	\$ 454	4 %	\$ 1,422	\$ 1,304	9 %
Net investment income	23	18	28	62	56	11
Other revenues	5	1	400	12	3	300
Segment revenues	<u>499</u>	<u>473</u>	5	<u>1,496</u>	<u>1,363</u>	10
<b>Benefits and Expenses:</b>						
Benefit expenses	258	248	4	765	724	6
Policy acquisition expenses	84	75	12	253	210	20
Other operating expenses	<u>87</u>	<u>78</u>	12	<u>253</u>	<u>229</u>	10
Benefits and expenses	<u>429</u>	<u>401</u>	7	<u>1,271</u>	<u>1,163</u>	9
Income before income taxes	70	72	(3)	225	200	13
Income taxes (1)	26	23	13	81	69	17
<b>Segment earnings, after-tax</b>	44	49	(10)	144	131	10
Less: Special items, after-tax (1)	-	2	-	-	2	-
<b>Adjusted income from operations</b>	\$ 44	\$ 47	(6) %	\$ 144	\$ 129	12 %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (2)	\$ 1	- %	\$ (2)	\$ 1	- %

(1) Includes income tax benefit of \$2 million for the third quarter and nine months of 2007 related to the completion of an IRS examination.

**CIGNA Corporation**  
**Run-off Reinsurance**  
**Segment Earnings (unaudited)**

*(Dollars in millions)*

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees	\$ 10	\$ 12	(17) %	\$ 35	\$ 41	(15) %
Net investment income	25	25	-	70	70	-
Other revenues (1)	71	(22)	-	117	(58)	-
Segment revenues	106	15	607	222	53	319
<b>Benefits and Expenses:</b>						
Benefit expenses	180	(34)	-	262	(35)	-
Guaranteed minimum income benefits expense (2)	98	-	-	353	120	194
Other operating expenses (3)	8	8	-	23	29	(21)
Benefits and expenses	286	(26)	-	638	114	460
Income (loss) before income tax benefits	(180)	41	-	(416)	(61)	(582)
Income taxes (benefits)	(75)	2	-	(164)	(40)	(310)
<b>Segment income (loss), after-tax</b>	(105)	39	-	(252)	(21)	-
Results of guaranteed minimum income benefits business, after-tax:						
Charge on adoption of SFAS No. 157	-	-	-	(131)	-	-
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157 (4)	(61)	2	-	(91)	(74)	(23)
Total	(61)	2	-	(222)	(74)	(200)
<b>Adjusted income (loss) from operations</b>	\$ (44)	\$ 37	- %	\$ (30)	\$ 53	- %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (3)	\$ 2	- %	\$ (5)	\$ 3	- %

(1) Includes a pre-tax gain of \$70 million for the third quarter of 2008, a pre-tax gain of \$118 million for the nine months of 2008, a pre-tax loss of \$11 million for the third quarter of 2007, and a pre-tax loss of \$46 million for the nine months of 2007 from futures contracts entered into as part of a program to manage equity risks in CIGNA's run-off reinsurance operations. CIGNA recorded corresponding offsets in benefits and expenses to adjust liabilities for reinsured guaranteed minimum death benefit contracts.

(2) The nine months ended September 30, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts recorded in the first quarter of 2008. The nine months ended September 30, 2007 include a pre-tax charge of \$86 million (\$56 million after-tax) related to guaranteed minimum income benefits reserves recorded in the second quarter of 2007.

(3) Beginning in 2008, other operating expenses excludes expenses for CIGNA's guaranteed minimum income benefit business. Prior period results have been reclassified to conform to the new presentation.

(4) Results of guaranteed minimum income benefit business include "Guaranteed minimum income benefits expense," as well as net investment income and income taxes associated with this business.

**CIGNA Corporation**  
**Other Operations**  
**Segment Earnings (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Premiums and fees	\$ 29	\$ 25	16 %	\$ 84	\$ 81	4 %
Net investment income	104	110	(5)	313	329	(5)
Other revenues	18	24	(25)	54	64	(16)
Segment revenues	151	159	(5)	451	474	(5)
<b>Benefits and Expenses:</b>						
Benefit expenses	104	97	7	307	298	3
Policy acquisition expenses	1	2	(50)	4	10	(60)
Other operating expenses	15	19	(21)	43	50	(14)
Benefits and expenses	120	118	2	354	358	(1)
Income before income taxes	31	41	(24)	97	116	(16)
Income taxes (1)	11	6	83	33	31	6
<b>Segment earnings, after-tax</b>	20	35	(43)	64	85	(25)
Less: Special items, after-tax (1)	-	5	-	-	5	-
<b>Adjusted income from operations</b>	\$ 20	\$ 30	(33) %	\$ 64	\$ 80	(20) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (8)	\$ 3	- %	\$ (11)	\$ -	- %

(1) Includes income tax benefit of \$5 million for the third quarter and nine months of 2007 related to the completion of an IRS examination.

**CIGNA Corporation**  
**Corporate (unaudited)**

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2008	2007	Change	2008	2007	Change
<b>Revenues:</b>						
Net investment income	\$ 1	\$ 7	(86) %	\$ 10	\$ 21	(52) %
Other revenues (1)	(14)	(15)	7	(41)	(40)	(3)
Segment revenues	(13)	(8)	(63)	(31)	(19)	(63)
<b>Benefits and Expenses:</b>						
Benefit expenses (1)	(4)	(4)	-	(11)	(11)	-
Other operating expenses excluding special items	35	32	9	97	97	-
Special items (2)	-	-	-	80	-	-
Benefits and expenses	31	28	11	166	86	93
Loss before income tax benefits	(44)	(36)	(22)	(197)	(105)	(88)
Income tax benefits (3)	(13)	(17)	24	(64)	(37)	(73)
<b>Loss, after-tax</b>	(31)	(19)	(63)	(133)	(68)	(96)
Less: Special items, after-tax (2) (3)	-	10	-	(52)	10	-
<b>Adjusted loss from operations</b>	\$ (31)	\$ (29)	(7) %	\$ (81)	\$ (78)	(4) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ -	\$ -	- %	\$ -	\$ -	- %

(1) Other revenues and benefit expenses include amounts for elimination of intercompany revenues and expenses.

(2) The nine months ended September 30, 2008 include a pre-tax charge of \$80 million (\$52 million after-tax) for the second quarter of 2008 related to litigation matters. This amount would be included in other operating expenses.

(3) Includes income tax benefit of \$10 million for third quarter and nine months of 2007 related to the completion of an IRS examination.