

# **Cigna Corporation**

## **Quarterly Financial Supplement December 31, 2015**

*This document is dated February 4, 2016. 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.*



**Cigna Corporation**  
**December 31, 2015 Quarterly Financial Supplement**  
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**BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted.*

*Cigna measures the financial results of its segments using adjusted income from operations. Effective January 1, 2015, adjusted income from operations is defined as shareholders' net income excluding the following after-tax adjustments: realized investment results, net amortization of other acquired intangible assets and special items (identified and quantified on page 2). Prior year amounts have been adjusted for the exclusion of net amortization of other acquired intangible assets. Operating revenues exclude net realized investment results. Adjusted income from operations and operating revenues are measures of results used by Cigna's management because they present the underlying results of operations of Cigna's businesses and permit analysis of trends in underlying revenue, expenses and profitability.*

*Adjusted income from operations on a consolidated basis and operating revenues are not determined in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be viewed as substitutes for the most directly comparable GAAP measures, which are shareholders' net income and total revenues.*

*In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present "N/M" in place of the computed percentage.*

**Cigna Corporation**  
**Financial Highlights (unaudited)**

(Dollars in millions, except per share amounts)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>REVENUES</b>						
<b>Operating Revenues</b>						
Global Health Care	\$ 7,568	\$ 7,017	8 %	\$ 29,929	\$ 27,290	10 %
Global Supplemental Benefits	805	757	6	3,149	3,005	5
Group Disability and Life	1,085	1,008	8	4,271	3,970	8
Corporate and Other	117	122	(4)	470	495	(5)
Total operating revenue	9,575	8,904	8	37,819	34,760	9
Net realized investment gains (losses)	(47)	24	(296)	57	154	(63)
Total revenues	\$ 9,528	\$ 8,928	7 %	\$ 37,876	\$ 34,914	8 %

**SHAREHOLDERS' NET INCOME**

**Adjusted Income (Loss) From Operations**

Global Health Care	\$ 394	\$ 397	(1) %	\$ 1,848	\$ 1,752	5 %
Global Supplemental Benefits	54	36	50	262	243	8
Group Disability and Life	83	85	(2)	324	317	2
Ongoing operations	531	518	3	2,434	2,312	5
Corporate and Other	(45)	(43)	(5)	(178)	(197)	10
Total	486	475	2	2,256	2,115	7
After-tax adjustments to reconcile to shareholders' net income:						
Realized investment gains (losses)	(28)	21		40	106	
Amortization of other acquired intangible assets, net	(4)	(29)		(80)	(119)	
Special Items (see details on page 2)	(28)	-		(122)	-	
Shareholders' net income	\$ 426	\$ 467	(9) %	\$ 2,094	\$ 2,102	- %
Diluted earnings per share:						
Adjusted income from operations	\$ 1.87	\$ 1.80	4 %	\$ 8.66	\$ 7.87	10 %
Shareholders' net income	\$ 1.64	\$ 1.77	(7) %	\$ 8.04	\$ 7.83	3 %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization	\$ 941	\$ 935	1 %	\$ 4,290	\$ 4,011	7 %

**CUSTOMER RELATIONSHIPS**

(Relationships, lives and policies in thousands)

	As of December 31,		
	2015	2014	% Change
<b>Global Health Care Medical Customers</b> (see page 7)	14,999	14,456	4 %
<b>Other Customer Relationships:</b> (see page 7)			
Behavioral care	24,674	23,853	3
Dental	13,869	13,571	2
Pharmacy	8,068	7,542	7
Medicare Part D	1,476	1,188	24
Global Supplemental Benefit Policies (see page 9)	12,888	12,342	4
Group Disability and Life covered lives (estimated)	15,600	14,200	10
Total customer relationships	91,574	87,152	5 %

**Cigna Corporation**  
**Reconciliation of Adjusted Income (Loss) from Operations to Shareholders' Net Income**

(Dollars in millions, except per share amounts)

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Three Months Ended December 31,</b>												
Adjusted income (loss) from operations	\$ 1.87	\$ 1.80	\$ 486	\$ 475	\$ 394	\$ 397	\$ 54	\$ 36	\$ 83	\$ 85	\$ (45)	\$ (43)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	(0.11)	0.08	(28)	21	(20)	14	2	3	(9)	(1)	(1)	5
Amortization of other acquired intangible assets, net	(0.01)	(0.11)	(4)	(29)	(20)	(26)	16	(3)	-	-	-	-
Special items:												
Merger-related transaction costs	(0.11)	-	(28)	-	-	-	-	-	-	-	(28)	-
Shareholders' net income	\$ 1.64	\$ 1.77	\$ 426	\$ 467	\$ 354	\$ 385	\$ 72	\$ 36	\$ 74	\$ 84	\$ (74)	\$ (38)
Weighted average shares (in thousands)	260,518	264,284										
Special Items, pre-tax:												
Merger-related transaction costs			(31)	-	-	-	-	-	-	-	(31)	-
Total			\$ (31)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (31)	\$ -

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Year Ended December 31,</b>												
Adjusted income (loss) from operations	\$ 8.66	\$ 7.87	\$ 2,256	\$ 2,115	\$ 1,848	\$ 1,752	\$ 262	\$ 243	\$ 324	\$ 317	\$ (178)	\$ (197)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.15	0.40	40	106	30	54	1	3	4	14	5	35
Amortization of other acquired intangible assets, net	(0.30)	(0.44)	(80)	(119)	(84)	(106)	4	(13)	-	-	-	-
Special items:												
Debt extinguishment costs	(0.25)	-	(65)	-	-	-	-	-	-	-	(65)	-
Merger-related transaction costs	(0.22)	-	(57)	-	-	-	-	-	-	-	(57)	-
Shareholders' net income	\$ 8.04	\$ 7.83	\$ 2,094	\$ 2,102	\$ 1,794	\$ 1,700	\$ 267	\$ 233	\$ 328	\$ 331	\$ (295)	\$ (162)
Weighted average shares (in thousands)	260,592	268,603										
Common shares outstanding as of December 31, (in thousands)	256,544	259,276										
Special Items, pre-tax:												
Debt extinguishment costs			\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)	\$ -
Merger-related transaction costs			(66)	-	-	-	-	-	-	-	(66)	-
Total			\$ (166)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (166)	\$ -

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

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 7,461	\$ 6,906	8 %	\$ 29,642	\$ 27,214	9 %
Fees	1,056	1,021	3	4,217	3,880	9
Net investment income	295	303	(3)	1,153	1,166	(1)
Mail order pharmacy revenues	690	614	12	2,536	2,239	13
Other revenues	73	60	22	271	261	4
Total operating revenues	9,575	8,904	8	37,819	34,760	9
Net realized investment gains (losses)	(47)	24	(296)	57	154	(63)
Total revenues	9,528	8,928	7	37,876	34,914	8
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,634	4,291	8	18,354	16,694	10
Other benefit expenses	1,238	1,167	6	4,936	4,640	6
Mail order pharmacy costs	581	525	11	2,134	1,907	12
Operating expenses excluding special items	2,189	1,991	10	8,122	7,516	8
Depreciation and amortization:						
Amortization of other acquired intangible assets, net	21	49	(57)	143	195	(27)
Depreciation and other amortization	113	104	9	442	393	12
Total depreciation and amortization	134	153	(12)	585	588	(1)
Interest expense	62	69	(10)	252	265	(5)
Special items (see details on page 2)	31	-	N/M	166	-	N/M
Total benefits and expenses	8,869	8,196	8	34,549	31,610	9
Income before income taxes	659	732	(10)	3,327	3,304	1
Income taxes:						
Current	264	304	(13)	1,229	1,232	-
Deferred	(23)	(34)	32	21	(22)	(195)
Total taxes	241	270	(11)	1,250	1,210	3
<b>Net income</b>	418	462	(10)	2,077	2,094	(1)
<b>Less: net (loss) attributable to noncontrolling interests</b>	(8)	(5)	(60)	(17)	(8)	(113)
<b>Shareholders' net income</b>	\$ 426	\$ 467	(9) %	\$ 2,094	\$ 2,102	- %

**Cigna Corporation**  
**Global Health Care**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 5,692	\$ 5,260	8 %	\$ 22,696	\$ 20,709	10 %
Fees	1,029	994	4	4,107	3,767	9
Net investment income	89	93	(4)	340	337	1
Mail order pharmacy revenues	690	614	12	2,536	2,239	13
Other revenues	68	56	21	250	238	5
Operating revenues	7,568	7,017	8	29,929	27,290	10
Net realized investment gains (losses)	(33)	19	(274)	43	79	(46)
Total revenues	7,535	7,036	7	29,972	27,369	10
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,634	4,291	8	18,354	16,694	10
Mail order pharmacy costs	581	525	11	2,134	1,907	12
Operating expenses	1,718	1,556	10	6,404	5,839	10
Amortization of other acquired intangible assets, net	33	42	(21)	136	170	(20)
Benefits and expenses	6,966	6,414	9	27,028	24,610	10
Income before income taxes	569	622	(9)	2,944	2,759	7
Income taxes	216	236	(8)	1,153	1,060	9
Income (loss) attributable to noncontrolling interest	(1)	1	(200)	(3)	(1)	(200)
Shareholders' net income from Global Health Care	354	385	(8)	1,794	1,700	6
After-tax adjustments required to reconcile to adjusted income from operations:						
Realized investment (gains) losses	20	(14)		(30)	(54)	
Amortization of other acquired intangible assets, net	20	26		84	106	
<b>Adjusted income from operations</b>	<b>\$ 394</b>	<b>\$ 397</b>	<b>(1) %</b>	<b>\$ 1,848</b>	<b>\$ 1,752</b>	<b>5 %</b>

**Cigna Corporation**  
**Global Health Care**  
**Revenue Analysis (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>Premiums:</b>						
Guaranteed cost	\$ 1,190	\$ 1,178	1 %	\$ 4,761	\$ 4,600	4 %
Experience-rated <sup>(1)</sup>	613	580	6	2,329	2,322	-
Stop loss	704	610	15	2,701	2,318	17
International health care	458	456	-	1,834	1,827	-
Dental	357	330	8	1,392	1,257	11
Medicare	1,529	1,397	9	6,142	5,660	9
Medicaid	287	199	44	1,102	515	114
Medicare Part D	351	308	14	1,589	1,405	13
Other	203	202	-	846	805	5
<b>Total Premiums</b>	<b>5,692</b>	<b>5,260</b>	<b>8</b>	<b>22,696</b>	<b>20,709</b>	<b>10</b>
Fees, including international health care	1,029	994	4	4,107	3,767	9
<b>Premiums and Fees</b>	<b>6,721</b>	<b>6,254</b>	<b>7</b>	<b>26,803</b>	<b>24,476</b>	<b>10</b>
Net investment income	89	93	(4)	340	337	1
Mail order pharmacy revenues <sup>(2)</sup>	690	614	12	2,536	2,239	13
Other revenues <sup>(3)</sup>	68	56	21	250	238	5
<b>Operating revenues</b>	<b>\$ 7,568</b>	<b>\$ 7,017</b>	<b>8 %</b>	<b>\$ 29,929</b>	<b>\$ 27,290</b>	<b>10 %</b>

(1) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self-funding portion of minimum premium revenue is reported in Fees, including international health care. Also, includes certain non-participating cases for which special customer-level reporting of experience is required.

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

(3) Includes non-risk revenues for direct channel specialty products and revenues for management services provided to independent physician associations and health plans.

**Cigna Corporation**  
**Global Health Care**  
**Ratio Analysis (unaudited)**

RATIOS:	Three Months Ended December 31,			Change Favorable (Unfavorable)	Year Ended December 31,		
	2015	2014			2015	2014	
<u>Medical Care Ratios:</u>							
Commercial	80.4 %	82.0 %	1.6	78.1 %	78.5 %	0.4	
Government	83.1 %	80.9 %	(2.2)	85.2 %	84.3 %	(0.9)	
Consolidated Global Health Care	81.4 %	81.6 %	0.2	80.9 %	80.6 %	(0.3)	
Operating Expense ratio <sup>(1)</sup>	22.7 %	22.2 %	(0.5)	21.4 %	21.4 %	-	

(1) Excludes amortization of other acquired intangible assets.

**PPACA – Related Taxes and Fees (unaudited)<sup>(2)</sup>**

(Dollars in millions)

	Three Months Ended December 31,				Year Ended December 31,			
	2015		2014		2015		2014	
Health insurance industry tax	\$	78	\$	56	\$	311	\$	238
Reinsurance fee		18		31		74		109
Other fees		4		5		16		14
Total PPACA-related taxes and fees	\$	100	\$	92	\$	401	\$	361

(2) These taxes and fees are primarily reported in operating expenses.



**Cigna Corporation**  
**Global Health Care**  
**Estimated Covered Lives (unaudited)**

<b>COVERED LIVES BY FUNDING TYPE:</b>	As of December 31,			<b>COVERED LIVES BY MARKET SEGMENT:<sup>(5)</sup></b>	As of December 31,		
	2015	2014	% Change		2015	2014 <sup>(6)</sup>	% Change
<i>(Lives in thousands)</i>							
<b>Medical customers:<sup>(1)</sup></b>				<b>Medical customers:<sup>(1)</sup></b>			
Commercial risk:				U.S. Commercial:			
U.S. Guaranteed cost	853	930	(8) %	National Accounts	3,685	3,777	(2) %
U.S. Experience-rated <sup>(2)</sup>	848	840	1	Middle Market	7,883	7,503	5
International health care - risk	801	764	5	Select	1,237	1,100	12
Total commercial risk <sup>(2)</sup>	2,502	2,534	(1)	Individual	204	281	(27)
				Small	2	2	-
Medicare	502	459	9	Total U.S. Commercial	13,011	12,663	3
Medicaid	65	59	10	International	1,421	1,275	11
Total risk	3,069	3,052	1	Total Commercial	14,432	13,938	4
				Medicare	502	459	9
Total service, including international health care	11,930	11,404	5	Medicaid	65	59	10
				Total Government	567	518	9
<b>Total medical customers</b>	<b>14,999</b>	<b>14,456</b>	<b>4 %</b>	<b>Total medical customers</b>	<b>14,999</b>	<b>14,456</b>	<b>4 %</b>
<b>Other Customer Relationships:</b>							
Behavioral care <sup>(3)</sup>	24,674	23,853	3 %				
Dental <sup>(3)</sup>	13,869	13,571	2 %				
Pharmacy <sup>(3)</sup>	8,068	7,542	7 %				
Medicare Part D <sup>(4)</sup>	1,476	1,188	24 %				

(1) Includes individuals who meet any one of the following criteria: are covered under a medical insurance policy, managed care arrangement, or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; or have medical claims and services that are administered by Cigna.

(2) Includes minimum premium customers, who have a risk profile similar to experience-rated customers. Also, includes certain non-participating cases for which certain customer-level reporting of experience is required.

(3) Reflects customer relationships with Cigna's dental, managed pharmacy, or behavioral care programs. These customers may also be medical customers, or they may have stand-alone dental, managed pharmacy, or behavioral care coverage. Behavioral customer relationships exclude certain wellness programs. Prior year dental membership has been revised to conform to current presentation.

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

(5) Market Segments are defined as follows:

- the National Accounts market segment includes multi-state employers with more than 5,000 U.S. based, full-time employees in more than one state
- the Middle Market segment includes employers with more than 250 but fewer than 5,000 U.S. based, full-time employees, single-site employers with more than 5,000 employees, Taft Hartley plans, and other third party payers;
- the Select market segment includes employers with more than 50 but fewer than 250 eligible employees;
- the Individual market segment includes individuals in twelve states as of December 31, 2015: Arizona, California, Colorado, Connecticut, Florida, Georgia, Maryland, Missouri, North Carolina, South Carolina, Tennessee and Texas.
- the Small market segment includes employers with 2-50 employees. Cigna has made a strategic business decision to exit this Market Segment.
- the International health care segment is focused on health care products and services to meet the needs of local and multinational companies and organizations and their local and globally mobile employees and dependents.
- the Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program, and Medicaid products as managed care alternatives to publicly funded healthcare programs.

(6) Prior year lives have been reclassified to reflect market segment transfers resulting primarily from increased/decreased enrollment at the account level.

**Cigna Corporation**  
**Global Supplemental Benefits**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 771	\$ 720	7 %	\$ 3,000	\$ 2,844	5 %
Fees	5	6	(17)	21	27	(22)
Net investment income	25	27	(7)	103	109	(6)
Other revenues	4	4	-	25	25	-
Operating revenues	805	757	6	3,149	3,005	5
Net realized investment gains	-	2	(100)	-	3	(100)
Total revenues	805	759	6	3,149	3,008	5
<b>Benefits and Expenses:</b>						
Benefit expenses	426	397	7	1,659	1,544	7
Operating expenses <sup>(1)</sup>	321	309	4	1,183	1,165	2
Amortization of other acquired intangible assets, net <sup>(2)</sup>	(12)	7	(271)	7	25	(72)
Benefits and expenses	735	713	3	2,849	2,734	4
Income before income taxes	70	46	52	300	274	9
Income taxes	5	16	(69)	47	48	(2)
Loss attributable to noncontrolling interests	(7)	(6)	(17)	(14)	(7)	(100)
Shareholders' net income from Global Supplemental Benefits	72	36	100	267	233	15
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment (gains)	(2)	(3)		(1)	(3)	
Amortization of other acquired intangible assets, net <sup>(2)</sup>	(16)	3		(4)	13	
<b>Adjusted income from operations</b>	<b>\$ 54</b>	<b>\$ 36</b>	<b>50 %</b>	<b>\$ 262</b>	<b>\$ 243</b>	<b>8 %</b>

(1) Operating expenses include policy acquisition expenses of \$160 million for the three months and \$607 million for the year ended December 31, 2015 and \$161 million for the three months and \$632 million for the year ended December 31, 2014.

(2) Net amortization of other acquired intangible assets in 2015 includes the one-time benefit of an acquisition in which the fair value of acquired net assets exceeded the purchase price.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2014 amounts are presented using 2015 actual exchange rates:

<b>Excluding the Effect of Foreign Currency Movements:</b>	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<i>(Dollars in millions)</i>						
Premiums and fees	\$ 776	\$ 685	13 %	\$ 3,021	\$ 2,689	12 %
Adjusted income from operations	\$ 54	\$ 33	64 %	\$ 262	\$ 217	21 %

**Cigna Corporation**  
**Global Supplemental Benefits**  
**Key Metrics (unaudited)**

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
Korea	\$ 386	\$ 374	3 %	\$ 1,520	\$ 1,494	2 %
U.S.	147	102	44	530	381	39
Taiwan	68	70	(3)	277	276	0
UK	54	55	(2)	213	224	(5)
Turkey	19	23	(17)	84	91	(8)
Other	102	102	-	397	405	(2)
<b>Total <sup>(1)</sup></b>	<b>\$ 776</b>	<b>\$ 726</b>	<b>7 %</b>	<b>\$ 3,021</b>	<b>\$ 2,871</b>	<b>5 %</b>
China Joint Venture <sup>(1)</sup>	\$ 172	\$ 132	30 %	\$ 616	\$ 489	26 %

NUMBER OF POLICIES:	As of December 31,		
	2015	2014	% Change
Global Supplemental Benefits Policies	12,888	12,342	4 %
China Joint Venture <sup>(1)</sup>	1,438	1,227	17 %

(Policies in thousands)

(1) Cigna owns a 50% noncontrolling interest in its China Joint Venture. Cigna's 50% share of the joint venture's earnings is reported in Other Revenues using the equity method of accounting under GAAP. As such, the premiums and fees and policy counts from the China Joint Venture are not included in Premiums and Fees By Geography or Number of Policies. For informational purposes, the China Joint Venture premiums and fees and policy counts are presented above as if Cigna consolidated the joint venture.

**Cigna Corporation**  
**Group Disability and Life**  
**Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums:						
Life	\$ 440	\$ 406	8 %	\$ 1,769	\$ 1,629	9 %
Disability	468	435	8	1,810	1,681	8
Other	68	58	17	264	239	10
Total premiums	976	899	9	3,843	3,549	8
Fees	22	21	5	89	86	3
Net investment income	85	89	(4)	337	335	1
Other revenues	2	(1)	300	2	-	N/M
Operating revenues	1,085	1,008	8	4,271	3,970	8
Net realized investment gains (losses)	(16)	(1)	N/M	5	22	(77)
Total revenues	1,069	1,007	6	4,276	3,992	7
<b>Benefits and Expenses:</b>						
Benefit expenses	732	680	8	2,934	2,716	8
Operating expenses	229	207	11	862	797	8
Benefits and expenses	961	887	8	3,796	3,513	8
Income before income taxes	108	120	(10)	480	479	-
Income taxes	34	36	(6)	152	148	3
Shareholders' net income from Group Disability and Life	74	84	(12)	328	331	(1)
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment (gains) losses	9	1		(4)	(14)	
<b>Adjusted income from operations</b>	<b>\$ 83</b>	<b>\$ 85</b>	<b>(2) %</b>	<b>\$ 324</b>	<b>\$ 317</b>	<b>2 %</b>

**Cigna Corporation**  
**Corporate and Other <sup>(1)</sup>**  
**Segment Results (unaudited)**

	Three Months Ended December 31,			Year Ended December 31,		
	2015	2014	% Change	2015	2014	% Change
<i>(Dollars in millions)</i>						
<b>Revenues:</b>						
Premiums	\$ 22	\$ 27	(19) %	\$ 103	\$ 112	(8) %
Net investment income	96	94	2	373	385	(3)
Other revenues	<u>(1)</u>	<u>1</u>	(200)	<u>(6)</u>	<u>(2)</u>	(200)
Operating revenues	117	122	(4)	470	495	(5)
Net realized investment gains (losses)	<u>2</u>	<u>4</u>	(50)	<u>9</u>	<u>50</u>	(82)
Total revenues	<u>119</u>	<u>126</u>	(6)	<u>479</u>	<u>545</u>	(12)
<b>Benefits and Expenses:</b>						
Benefit expenses	80	90	(11)	343	380	(10)
Operating expenses excluding special items <sup>(2)</sup>	96	92	4	367	373	(2)
Special items (see details on page 2)	<u>31</u>	<u>-</u>	N/M	<u>166</u>	<u>-</u>	N/M
Benefits and expenses	<u>207</u>	<u>182</u>	14	<u>876</u>	<u>753</u>	16
Loss before income taxes	(88)	(56)	(57)	(397)	(208)	(91)
Income taxes	<u>(14)</u>	<u>(18)</u>	22	<u>(102)</u>	<u>(46)</u>	(122)
Shareholders' net loss from Corporate and Other Operations	(74)	(38)	(95)	(295)	(162)	(82)
Adjustments to reconcile to adjusted loss from operations:						
Realized investment (gains) losses	1	(5)		(5)	(35)	
Special items (see details on page 2)	<u>28</u>	<u>-</u>		<u>122</u>	<u>-</u>	
<b>Adjusted loss from operations</b>	<b>\$ (45)</b>	<b>\$ (43)</b>	<b>(5) %</b>	<b>\$ (178)</b>	<b>\$ (197)</b>	<b>10 %</b>

(1) In this Quarterly Financial Supplement, Other Operations and Corporate are combined under the heading "Corporate and Other."

(2) Includes amounts for elimination of intercompany revenues and expenses.

**Cigna Corporation**  
**Consolidated Balance Sheets**

(Dollars in millions)

	As of December 31, 2015 (Unaudited)	As of December 31, 2014		As of December 31, 2015 (Unaudited)	As of December 31, 2014
<b>Assets</b>					
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$18,456 and \$17,278)	\$ 19,455	\$ 18,983	Contractholder deposit funds	\$ 8,443	\$ 8,430
Equity securities, at fair value (cost, \$190 and \$199)	190	189	Future policy benefits	9,479	9,642
Commercial mortgage loans (see page 15)	1,864	2,081	Unpaid claims and claim expenses	4,574	4,400
Policy loans	1,419	1,438	Global Health Care medical costs payable	2,355	2,180
Other long-term investments	1,404	1,488	Unearned premiums	629	621
Short-term investments	381	163	Total insurance and contractholder liabilities	25,480	25,273
Total investments	24,713	24,342	Accounts payable, accrued expenses and other liabilities	6,493	6,264
Cash and cash equivalents	1,968	1,420	Short-term debt	149	147
Premiums, accounts and notes receivable, net	3,694	2,757	Long-term debt <sup>(3)</sup>	5,020	4,979
Reinsurance recoverables <sup>(1)</sup>	6,813	7,080	Separate account liabilities	7,833	8,328
Deferred policy acquisition costs	1,659	1,502	Total liabilities	44,975	44,991
Property and equipment	1,534	1,502	Redeemable noncontrolling interests	69	90
Deferred income taxes, net	379	293	<b>Shareholders' Equity</b>		
Goodwill	6,019	5,989	Common stock	74	74
Other assets, including other intangibles <sup>(2), (3)</sup>	2,476	2,657	Additional paid-in capital	2,859	2,769
Separate account assets	7,833	8,328	Accumulated other comprehensive loss	(1,250)	(936)
			Retained earnings	12,121	10,289
			Less treasury stock, at cost	(1,769)	(1,422)
			Total shareholders' equity	12,035	10,774
			Noncontrolling interests	9	15
			Total equity	12,044	10,789
<b>Total assets</b>	<b>\$ 57,088</b>	<b>\$ 55,870</b>	<b>Total liabilities and equity</b>	<b>\$ 57,088</b>	<b>\$ 55,870</b>

(1) Includes \$5.8 billion as of December 31, 2015 and \$6.1 billion as of December 31, 2014 related to: 1) the sale of Cigna's Individual Life & Annuity business in 1998 and Cigna's Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; and 2) the reinsurance transaction with Berkshire in 2013. Corresponding liabilities are primarily reported in Contractholder deposit funds and Future policy benefits.

(2) Includes recoverables of \$0.9 billion as of December 31, 2015 and \$1.0 billion as of December 31, 2014 related to the GMIB liability.

(3) Due to the adoption of ASU 2015-03 in the fourth quarter of 2015, debt issuance costs have been reclassified from Other assets, including other intangibles, to Long-term debt. Prior year balances have been conformed to current year presentation.

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

(Dollars in millions)

Sector	As of December 31, 2015				As of December 31, 2014			
	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities
United States Government	\$ 779	\$ -	\$ 779	4%	\$ 954	\$ -	\$ 954	5%
States and Local Government	1,641	-	1,641	9%	1,856	-	1,856	10%
Foreign Government	1,948	66	2,014	10%	1,872	68	1,940	10%
<b>Government</b>	<b>4,368</b>	<b>66</b>	<b>4,434</b>	<b>23%</b>	<b>4,682</b>	<b>68</b>	<b>4,750</b>	<b>25%</b>
Basic Industry	1,425	1,008	2,433	12%	1,410	860	2,270	12%
Capital Goods	713	1,057	1,770	9%	751	1,035	1,786	9%
Communications	849	24	873	5%	858	25	883	5%
Consumer	2,149	1,002	3,151	16%	1,739	1,123	2,862	15%
Electric and Utility	845	898	1,743	9%	1,091	916	2,007	11%
Energy and Natural Gas	857	611	1,468	8%	798	653	1,451	8%
Financial	2,182	565	2,747	14%	1,475	512	1,987	10%
Other	188	75	263	1%	158	94	252	1%
<b>Corporate</b>	<b>9,208</b>	<b>5,240</b>	<b>14,448</b>	<b>74%</b>	<b>8,280</b>	<b>5,218</b>	<b>13,498</b>	<b>71%</b>
Mortgage-Backed	49	-	49	0%	84	1	85	0%
Foreign Bank Obligations	-	237	237	1%	-	334	334	2%
Other Asset-Backed	51	236	287	2%	64	252	316	2%
<b>Mortgage and other asset-backed</b>	<b>100</b>	<b>473</b>	<b>573</b>	<b>3%</b>	<b>148</b>	<b>587</b>	<b>735</b>	<b>4%</b>
<b>Total Fixed Maturities <sup>(2)</sup></b>	<b>\$ 13,676</b>	<b>\$ 5,779</b>	<b>\$ 19,455</b>	<b>100%</b>	<b>\$ 13,110</b>	<b>\$ 5,873</b>	<b>\$ 18,983</b>	<b>100%</b>
% of Fixed Maturities	70%	30%	100%		69%	31%	100%	

(1) 89% and 90% of fixed maturities were investment grade as of December 31, 2015 and December 31, 2014. The remaining fixed maturities were below investment grade holdings and invested mainly in corporate debt, split relatively evenly between public and private placements.

(2) Problem and potential problem bonds at amortized cost, net of impairments were \$34 million as of December 31, 2015 and \$13 million as of December 31, 2014. For more information, please refer to Cigna's Form 10-K for the period ended December 31, 2015 expected to be filed on February 25, 2016.

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

(Dollars in millions)

Sector	As of December 31, 2015			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 528	\$ 251	\$ -	\$ 779
State and Local Government	1,496	147	2	1,641
Foreign Government	1,870	147	3	2,014
Government	3,894	545	5	4,434
Basic Industry	2,403	101	71	2,433
Capital Goods	1,695	93	18	1,770
Communications	836	43	6	873
Consumer	3,042	130	21	3,151
Electric and Utility	1,648	113	18	1,743
Energy and Natural Gas	1,478	49	59	1,468
Financial	2,660	97	10	2,747
Other	260	6	3	263
Corporate	14,022	632	206	14,448
Mortgage-Backed	48	2	1	49
Foreign Bank Obligations	210	30	3	237
Other Asset-Backed	282	9	4	287
Mortgage and other asset-backed	540	41	8	573
<b>Total Fixed Maturities</b>	<b>\$ 18,456</b>	<b>\$ 1,218</b>	<b>\$ 219</b>	<b>\$ 19,455</b>

As of December 31, 2014			
Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
\$ 608	\$ 346	\$ -	\$ 954
1,682	176	2	1,856
1,824	121	5	1,940
4,114	643	7	4,750
2,110	179	19	2,270
1,647	140	1	1,786
830	54	1	883
2,662	203	3	2,862
1,835	174	2	2,007
1,353	103	5	1,451
1,835	153	1	1,987
245	8	1	252
12,517	1,014	33	13,498
83	3	1	85
266	69	1	334
298	18	-	316
647	90	2	735
<b>\$ 17,278</b>	<b>\$ 1,747</b>	<b>\$ 42</b>	<b>\$ 18,983</b>



**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of December 31, 2015**

(Dollars in millions)

Geographic Region	Property Type						Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other		
Massachusetts	\$ 101	\$ 56	\$ 14	\$ 89	\$ -	\$ -	\$ 260	14%
Other <sup>(2)</sup>	-	-	-	-	16	-	16	1%
<b>New England</b>	<b>101</b>	<b>56</b>	<b>14</b>	<b>89</b>	<b>16</b>	<b>-</b>	<b>276</b>	<b>15%</b>
New York	76	55	-	-	-	-	131	7%
New Jersey	40	-	56	-	-	-	96	5%
<b>Middle Atlantic</b>	<b>116</b>	<b>55</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>227</b>	<b>12%</b>
Virginia	134	-	-	52	-	-	186	10%
North Carolina	-	45	30	-	-	-	75	4%
Maryland	37	-	-	21	-	7	65	3%
Other <sup>(2)</sup>	-	21	6	-	13	-	40	2%
<b>South Atlantic</b>	<b>171</b>	<b>66</b>	<b>36</b>	<b>73</b>	<b>13</b>	<b>7</b>	<b>366</b>	<b>19%</b>
Texas	33	19	2	-	-	-	54	3%
Illinois	47	-	-	-	-	-	47	2%
Other <sup>(2)</sup>	-	4	82	-	18	-	104	6%
<b>Central</b>	<b>80</b>	<b>23</b>	<b>84</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>205</b>	<b>11%</b>
Arizona	-	20	-	32	-	-	52	3%
<b>Mountain</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>52</b>	<b>3%</b>
California	196	104	120	65	148	-	633	34%
Oregon	33	28	12	-	18	-	91	5%
Other <sup>(2)</sup>	-	14	-	-	-	-	14	1%
<b>Pacific</b>	<b>229</b>	<b>146</b>	<b>132</b>	<b>65</b>	<b>166</b>	<b>-</b>	<b>738</b>	<b>40%</b>
<b>Totals</b>	<b>\$ 697</b>	<b>\$ 366</b>	<b>\$ 322</b>	<b>\$ 259</b>	<b>\$ 213</b>	<b>\$ 7</b>	<b>\$ 1,864</b>	<b>100%</b>
% of Mortgage Loans	<b>37%</b>	<b>20%</b>	<b>17%</b>	<b>14%</b>	<b>12%</b>	<b>0%</b>	<b>100%</b>	
Loan to Value Ratio <sup>(3)</sup>	<b>55%</b>	<b>59%</b>	<b>54%</b>	<b>67%</b>	<b>59%</b>	<b>48%</b>	<b>58%</b>	

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$139 million and \$208 million as of December 31, 2015 and December 31, 2014, respectively. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-K for the period ended December 31, 2015, expected to be filed on February 25, 2016.

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

(3) The Loan to Value Ratios on the commercial mortgage loans that Cigna holds in its portfolio leverage internal valuations, which are estimates based on the most recent full year financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are primarily determined as part of an annual review process, which was completed in the second quarter of 2015. For more information, please refer to Cigna's Form 10-K for the period ended December 31, 2015, expected to be filed on February 25, 2016.

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

(Dollars in millions)

	Year Ended December 31,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 2,077	\$ 2,094
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	585	588
Realized investment gains	(57)	(154)
Deferred income taxes	21	(22)
Net changes in assets and liabilities, net of non-operating effects:		
Premiums, accounts and notes receivable	(945)	(780)
Reinsurance recoverables	55	22
Deferred policy acquisition costs	(182)	(176)
Other assets	16	(265)
Insurance liabilities	657	457
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>	423	202
Current income taxes	(25)	111
Loss on extinguishment of debt	100	-
Other, net	(8)	(83)
<b>Net cash provided by operating activities</b>	<b>2,717</b>	<b>1,994</b>
<b>Net cash (used in) investing activities</b>	<b>(1,599)</b>	<b>(1,755)</b>
<b>Net cash (used in) financing activities</b>	<b>(530)</b>	<b>(1,582)</b>
Effect of foreign currency rate changes on cash and cash equivalents	(40)	(32)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>548</b>	<b>(1,375)</b>
Cash and cash equivalents, beginning of year	1,420	2,795
Cash and cash equivalents, end of period	\$ 1,968	\$ 1,420

(1) Includes pre-tax domestic qualified pension plan contributions of \$5 million for the period ended December 31, 2015 and \$113 million for the period ended December 31, 2014.