

# CIGNA GLOBAL SUPPLEMENTAL BENEFITS

As of February, 2016



# Forward looking statements and non-GAAP measures

## CAUTIONARY STATEMENT FOR PURPOSES OF THE “SAFE HARBOR” PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995

This presentation, and oral statements made with respect to information contained in this release, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Cigna's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning our projected consolidated adjusted income (loss) from operations outlook for 2016; projected consolidated revenue growth and global medical customer growth, each over year end 2015; future financial or operating performance, including our ability to deliver personalized and innovative solutions for our customers and clients and future growth, business strategy, strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas; financing or capital deployment plans ; our prospects for growth in the coming years; statements regarding the proposed merger between Cigna and Anthem, Inc. (Anthem); statements regarding the timing of resolution of the issues raised by CMS; and other statements regarding Cigna's and Anthem's future beliefs, expectations, plans intentions, financial condition or performance. You may identify forward-looking statements by the use of words such as “believe,” “expect,” “plan,” “intend,” “anticipate,” “estimate,” “predict,” “potential,” “may,” “should,” “will” or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our financial, strategic and operational plans or initiatives; our ability to predict and manage medical costs and price effectively and develop and maintain good relationships with physicians, hospitals and other health care providers; our ability to identify potential strategic acquisitions or transactions and realize the expected benefits of such transactions; the substantial level of government regulation over our business and the potential effects of new laws or regulations, or changes in existing laws or regulations; the outcome of litigation, regulatory audits, including the CMS review and sanctions, investigations and actions and/or guaranty fund assessments; uncertainties surrounding participation in government-sponsored programs such as Medicare; the effectiveness and security of our information technology and other business systems; and unfavorable industry, economic or political conditions, including foreign currency movements; the timing and likelihood of completion of the proposed merger, including the timing, receipt and terms and conditions of any required governmental and regulatory approvals for the proposed merger that could reduce anticipated benefits or cause the parties to abandon the transaction; the possibility that the expected synergies and value creation from the proposed merger will not be realized or will not be realized within the expected time period; the risk that the businesses of Cigna and Anthem will not be integrated successfully; disruption from the proposed merger making it more difficult to maintain business and operational relationships; the risk that unexpected costs will be incurred; the possibility that the proposed merger does not close, including due to the failure to satisfy the closing conditions; the risk that financing for the proposed merger may not be available on favorable terms, as well as more specific risks and uncertainties discussed in our most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of [www.cigna.com](http://www.cigna.com) as well as on Anthem's most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of [www.antheminc.com](http://www.antheminc.com). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results, and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Cigna undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.

## NON-GAAP MEASURES AND FINANCIAL INFORMATION

The Company uses adjusted income from operations as the principal measure of performance when describing its financial results and outlook. On a consolidated basis, adjusted income from operations is not determined in accordance with accounting principles generally accepted in the United States of America (“GAAP”). For the periods ended prior to January 1, 2015 included in this presentation, adjusted income from operations is defined as shareholders' net income excluding (1) special items; (2) the results of the guaranteed minimum income benefits (“GMIB”) business; (3) net realized investment results.

Beginning January 1, 2015, adjusted income from operations is defined as shareholders' net income (loss) excluding after-tax realized investment results, amortization of other acquired intangibles assets and special items. Management uses adjusted income from operations to measure financial performance because it presents underlying results of operations and permits analysis of trends in underlying revenue, expenses and shareholders' net income. On a consolidated basis, adjusted income from operations should not be viewed as a substitute for the most directly comparable GAAP measure - shareholders' net income. Financial information is provided as of the dates referenced herein only. Cigna does not undertake to revise or update this information.

*“In this presentation, the term “earnings” means adjusted income from operations and “earnings per share” means adjusted income from operations on a fully diluted per share basis. The appendix to this presentation contains a reconciliation of adjusted income from operations on a consolidated basis to shareholders' net income, the most directly comparable GAAP measure. Information is not available for management to identify or reasonably estimate (1) future net realized investment gains (losses), or (2) additional special items for 2015; therefore, it is not possible to provide a forward-looking reconciliation. Peer information is presented on the basis of their respective principal financial performance measure.*



# Important information for investors

## **NO OFFER OR SOLICITATION**

*This communication is neither an offer to buy, nor a solicitation of an offer to sell, subscribe for or buy any securities or the solicitation of any vote or approval in any jurisdiction pursuant to or in connection with the proposed transactions or otherwise, nor shall there be any sale, issuance or transfer of securities in any jurisdiction in contravention of applicable law. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act of 1933, as amended, and otherwise in accordance with applicable law.*

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

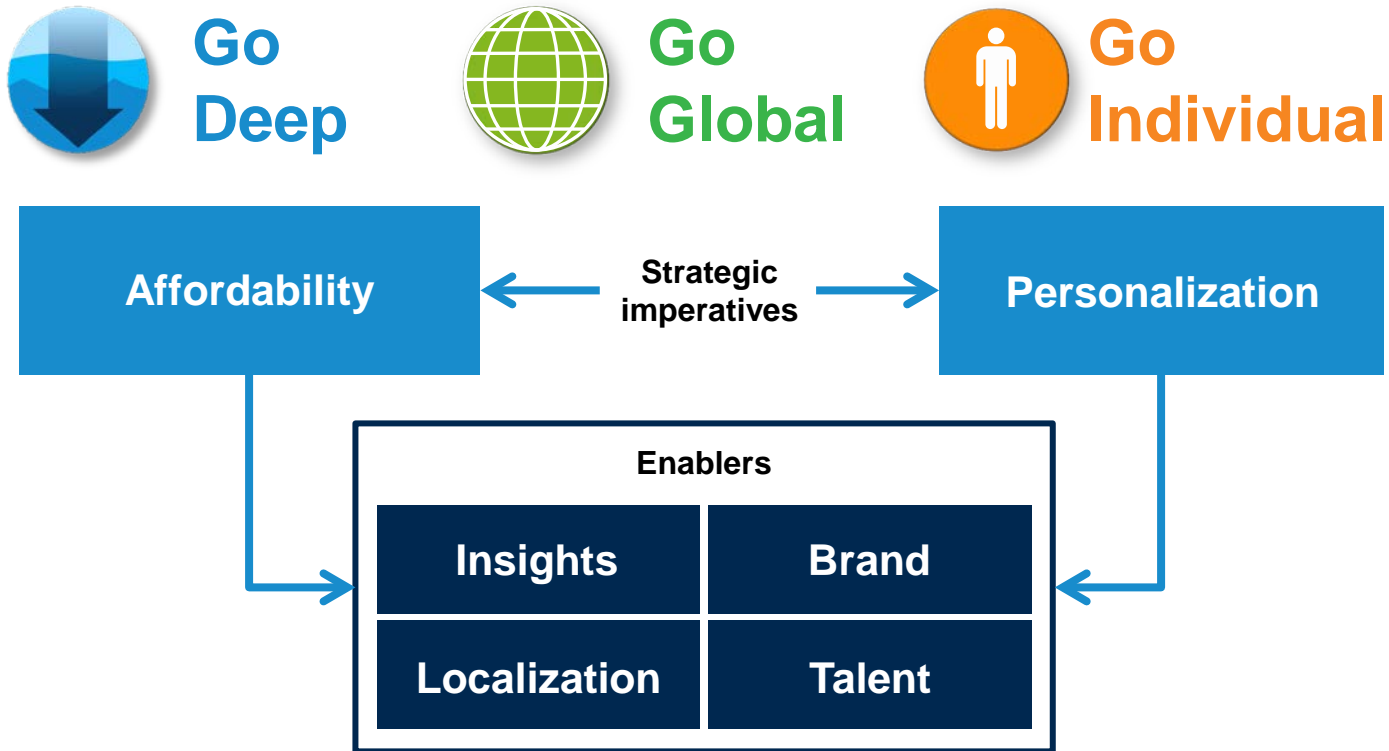
*In connection with the proposed transaction, Anthem will prepare a registration statement on Form S-4 that will include a joint proxy statement/prospectus for Cigna's shareholders and Anthem's shareholders to be filed with the Securities and Exchange Commission (the "SEC"), and each of Cigna and Anthem will mail the joint proxy statement/prospectus to their respective shareholders and file other documents regarding the proposed transaction with the SEC. This communication is not intended to be, and is not, a substitute for such filings or for any other document that Cigna or Anthem may file with the SEC in connection with the proposed transaction. SECURITY HOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE REGISTRATION STATEMENT ON FORM S-4 AND THE JOINT PROXY STATEMENT/PROSPECTUS, CAREFULLY WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. The registration statement, the joint proxy statement/prospectus and other relevant materials (when they become available) and any other documents filed or furnished by Cigna or Anthem with the SEC may be obtained free of charge at the SEC's web site at [www.sec.gov](http://www.sec.gov). In addition, security holders will be able to obtain free copies of the registration statement and the joint proxy statement/prospectus from Cigna by going to its investor relations page on its corporate web site at [www.cigna.com](http://www.cigna.com) or by contacting Cigna's investor relations department at 215-761-4198 and from Anthem by going to its investor relations page on its corporate web site at [www.antheminc.com](http://www.antheminc.com) or by contacting Anthem's investor relations department at 317-488-6181.*



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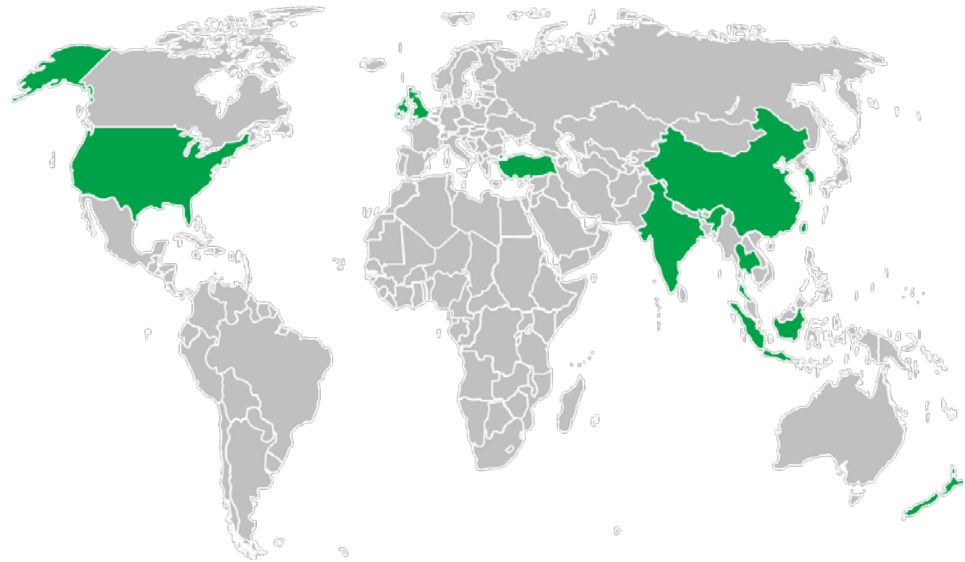
# Alignment with enterprise strategy



Value-based solutions focused on meeting customer needs

# Business overview

Serving 10 million individual customer relationships through a wide range of innovative and easy-to-access solutions to help improve their health, well-being and sense of security.



China • Hong Kong • India • Indonesia • Korea • New Zealand • Taiwan • Thailand • Turkey • U.K. • U.S.

**16,200** employees  
(12,200 TMRs/other sales force)

**100** call centers  
(84 million outbound calls per year)

**150+** affinity partners

**3** joint ventures

## RANGE OF SOLUTIONS

### PROTECTION

- *Personal accident*
- *Hospital cash*
- *Critical illness*
- *Dental/vision*
- *Private medical*
- *Term life*
- *Short/Long term disability*
- *Credit-related*

### SAVINGS/INVESTMENT

- *Return of premium*
- *Endowment*
- *Whole life*
- *Investment linked*
- *Pension/retirement*

### GLOBALLY MOBILE

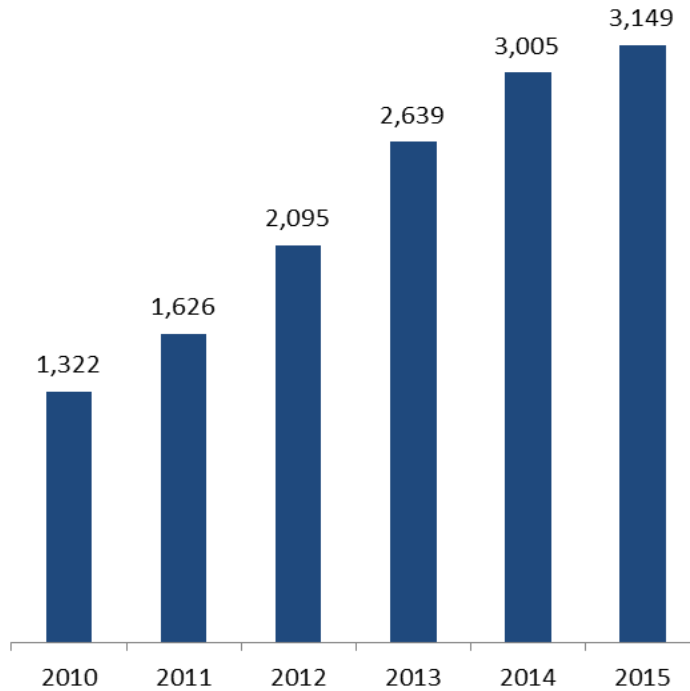
- *Individual private medical*
- *Travel*



# Strong growth and performance over a multi year period

## Revenue

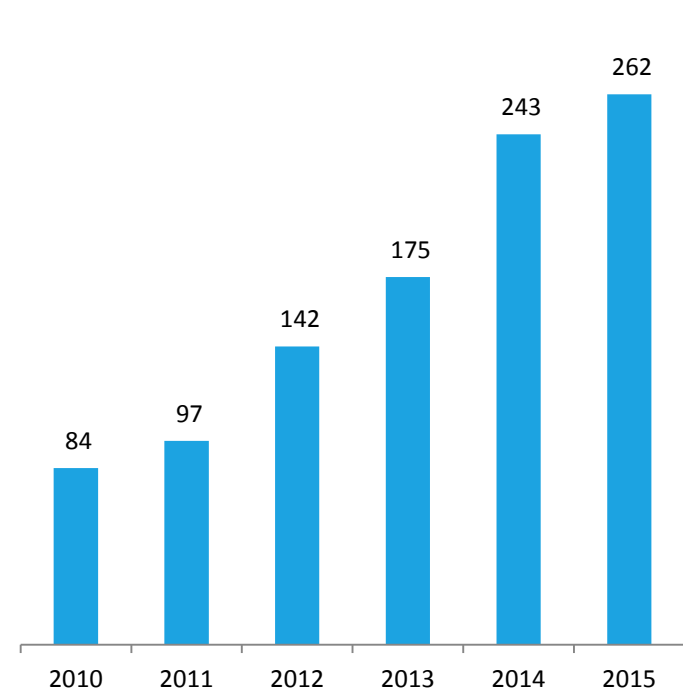
(in \$ millions)



**19% CAGR**

## Earnings\*

(in \$ millions)



**26% CAGR**

**Top and bottom line growth rates well exceed average of primary competitors<sup>^</sup>**

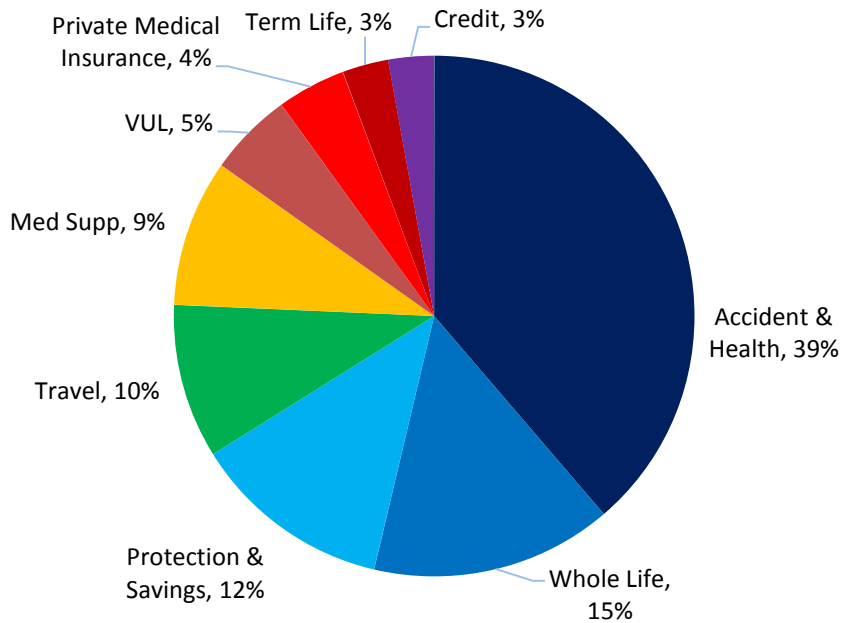
\*Adjusted income from operations

<sup>^</sup>Primary competitors include ACE, AEGON, AIA, Allianz, AXA, BUPA, Manulife, MetLife, Prudential U.K

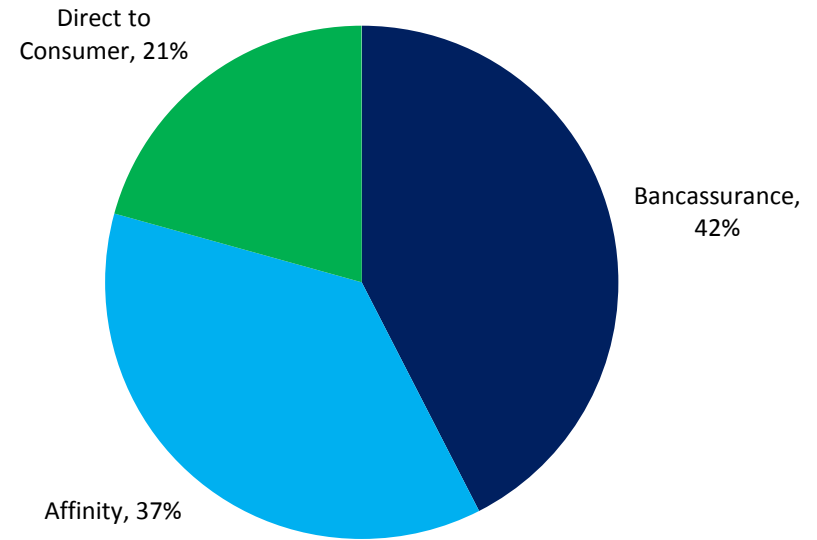


# Broad portfolio of products and distribution channels

## 2015 Sales by Product



## 2015 Sales by Distribution Channel



**Solutions are primarily Accident & Health related across a number of channels**



# How we win

- **Leveraging deep consumer insights to drive product innovation**
- **Meeting the rapidly growing demand for health protection needs**
- **Targeting the growing middle class and seniors populations globally**
- **Leading innovative, direct to consumer distribution capabilities (over 150 affinity partners)**
- **Easy to understand, affordable products that are designed to fill in gaps in either private or public coverage**
- **Leading and patented customer value management (“CVM”) techniques to optimize our distribution**
- **Locally licensed and managed by strong, locally developed talent**

**Targeted approach focuses on delivering affordable and personalized solutions**



# Market dynamics

## Growing Middle Class

**Spending by the Asian middle class estimated to potentially rise 9% annually** through 2030, driven by growth in China, India and Indonesia<sup>1</sup>

**Growing awareness of health and well being** and growing trend of non communicable diseases (diabetes, cancer)

## Health Protection Gap

**Health coverage gap projected to grow to ~\$200B by 2020 (>40% CAGR)** in Asia driven by gaps in China, India, Japan and South Korea<sup>2</sup>

**In more than half of the Asia-Pacific markets**, the growth of medical costs has outpaced inflation<sup>2</sup>

## Rising Chronic Conditions and Health Awareness

**Personal health insurance currently covers less than 10% of total healthcare spending** in emerging markets<sup>3</sup>

These products are now becoming more valued in emerging markets as the **cost of treatment is generally beyond the means of most households**<sup>3</sup>

**Low product penetration and widening coverage gap fuels ongoing market demand**

<sup>1</sup>Asia 2050: Realizing the Asian Century by the Asian Development Bank

<sup>2</sup>Health Protection Gap: Asia-Pacific 2012 by Swiss Re

<sup>3</sup>Keeping healthy in emerging markets: insurance can help by Swiss Re

# Our core capabilities are tailored to local markets

## Distribution and Service Capabilities

Ability to leverage best-in-class, **multi-channel distribution capabilities** including mobile marketing, online and over the phone

Providing customers with a **seamless, integrated experience** pre and post sale

## Deep Consumer Insights

Leverage customer insights and **patented analytics capability** (e.g. our Next Best Offer Optimization™) to drive value for each customer segment

Target the **right Customer**, with the **right Product**, at the **right Time**, through the **right Channel**

## Tailored Product Innovation

Understanding customer needs through **focused customer research, segmentation and advanced analytics**

**Close collaboration** with our partners to ensure propositions **meet segment needs and align with brand values**

Differentiated distribution and analytics drives ongoing success



# Direct marketing and partnership capabilities

Globally, Cigna is a **leader in direct marketing** and providing leading health, life protection, accident and medical solutions

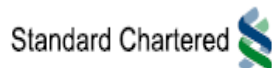
We have a **long history of working in partnership with other businesses** including multinational and local banks, credit card companies, telecommunication companies, supermarkets and many other industries

We work with our partners through a **customer centered approach** to understand their different customers segments, identifying needs and tailoring packaged solutions for each segment

With over **150 partners globally**, we are market leaders in developing best-fit affinity partnership models

## An example selection of our affinity partners

### Financial institutions



### Non-Financial institutions

#### Telecoms:



#### Retailers:



# Customer value management and tailored product innovation

Affinity  
Partner

Customer Access  
Prior Experience and Relationships  
Other Distribution Opportunities



Cigna

Deep Customer Insights  
CVM Analytics  
Segmentation  
Innovative Insurance Solutions

Right Customer

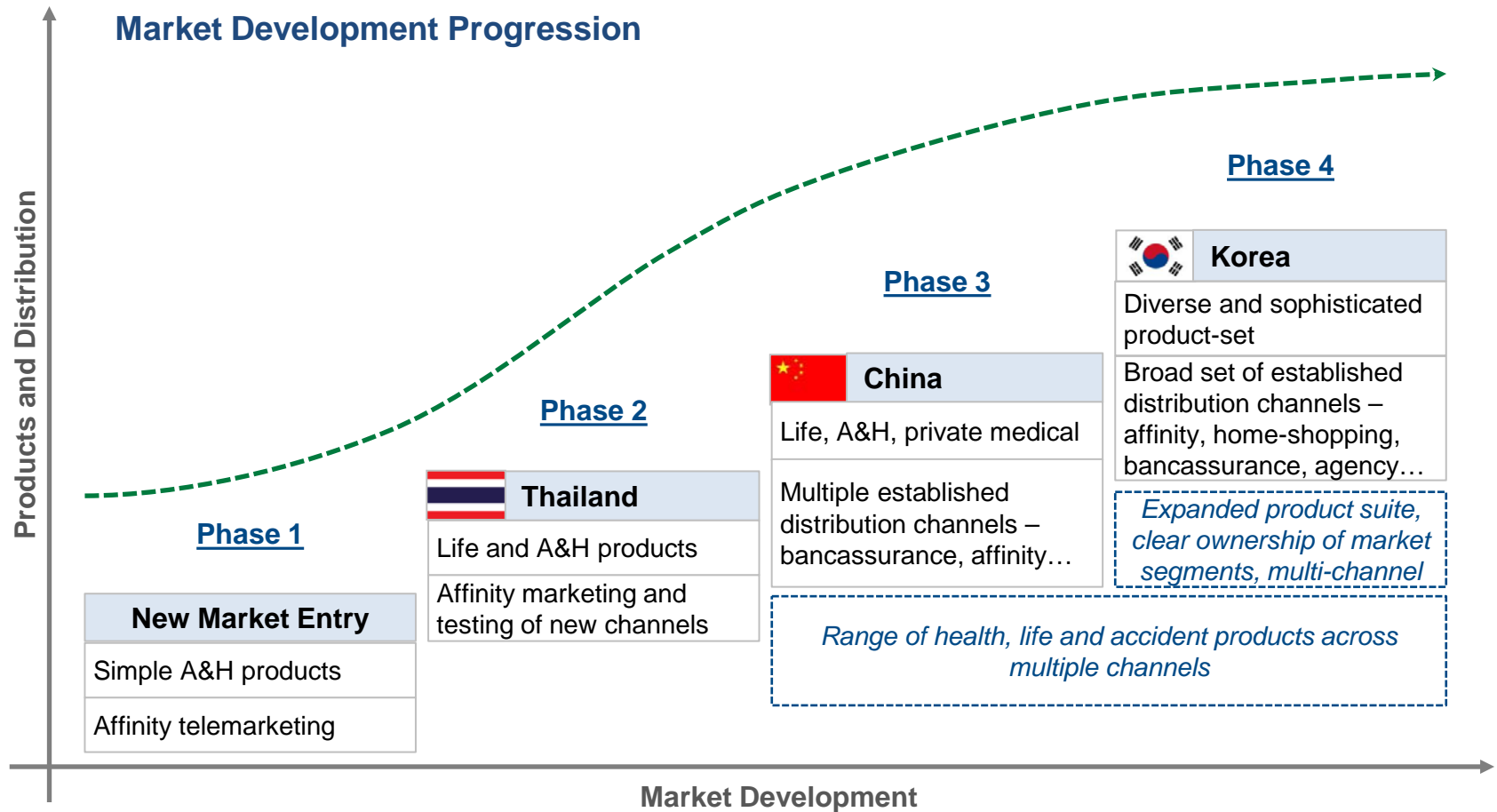
Right Product

Right Time

CVM model is replicable across markets and affinity relationships



# A portfolio approach to growth



**Diverse portfolio of markets with multiple phases of products and distribution**



# Global Supplemental Benefits markets

## Korea



- Est. in 1987, the first foreign life insurer to enter Korea
- Approximately 50% of Global Supplemental Benefits revenues
- Expect mid teens growth in a low single digit growth market
- **Total policy count: 5.5M**
- **Key Products:**
  - Personal Accident, Cancer, Critical Illness, Dementia, Hospital Income, Term Life, Whole Life, VUL, Dental and Vision
  - Focused on ongoing product innovation such as Korea's Seniors platform known as Heyday
- **Primary Distribution:** Telemarketing and Home shopping
  - Market competitors primarily focus on general agents for distribution
  - Continue to invest in new telemarketing centers for ongoing growth in the future



# Global Supplemental Benefits markets

## United States



- Est. in 2012 with the purchase of Great American Supplemental Benefits
- **Total policy count:** 400K
- **Key Products:**
  - Medicare Supplement, Critical Illness
- **Primary Distribution:** Primarily Broker, Some Direct to Consumer

## China



- Est. in 2003 as a 50% Joint Venture with China Merchants Bank / now selling in 16 provinces
- **Total policy count:** 1.4M
- **Key Products:**
  - Health and Accident, Hospital Income, Comprehensive Private Medical, and Life Savings & Investment solutions
- **Primary Distribution:** Telemarketing and Bancassurance





# Global Supplemental Benefits markets

## Taiwan



- Est. in 1989 / growth driven by strong affinity relationships (e.g. Watsons, Citi, ANZ)
- **Total policy count:** 700K
- **Key Products:**
  - Personal Accident, Cancer, Critical Illness, Dementia, Hospital Income, Surgical, Term Life, Whole Life, VUL, Dental and Vision
- **Primary Distribution:** Direct marketing, Telemarketing and Bancassurance

## United Kingdom



- Acquired the 3rd largest U.K. travel insurer, FirstAssist, in 2011
- **Total policy count:** 2.1M
- **Key Products:**
  - Health, Accident, Hospital Income, and Travel
- **Primary Distribution:** Affinity



# Global Supplemental Benefits markets

## Turkey



- Began 51% share JV partnership with Finansbank, 5th largest private retail bank in Turkey, in 2012
- **Total policy count:** 1.7M
- **Key Products:**
  - Credit Life, Personal Accident, Cancer, Critical Illness, Dental and Vision, and Pension
- **Primary Distribution:** Bancassurance

## Hong Kong



- Mature marketplace (est. 1984) now focusing on private medical insurance
- **Total policy count:** 200K
- **Key Products:**
  - Personal Accident, Critical Illness, Hospital Income, Private Medical Insurance, Surgical, Whole Life, Savings Par, and VUL
- **Primary Distribution:** Affinity / Telemarketing and Broker



# Global Supplemental Benefits markets

## Thailand

- Est. in 2006 / market has traditionally been a life insurance market distributed by brokers
- **Total policy count:** 600K
- **Key Products:**
  - Personal Accident, Cancer, Critical Illness, Hospital Income, Dental and Vision
- **Primary Distribution:** Affinity / Telemarketing and Bancassurance

## Indonesia

- Est. in 1994 / distribution focused on relatively inexpensive products for the younger demographic
- **Total policy count:** 1.2M
- **Key Products:**
  - Personal Accident, Cancer, Critical Illness, Hospital Income, Term Life, Credit Life, Whole Life, VUL, Dental and Vision
- **Primary Distribution:** Affinity / Telemarketing and Bancassurance



# Global Supplemental Benefits markets

## New Zealand



- Market is aging and beginning to shift from life & accident to health related products
- **Total policy count:** 300K
- **Key Products:**
  - Personal Accident, Critical Illness, Term Life, Credit Life, and Travel
- **Primary Distribution:** Direct marketing and Affinity

## India



- Started 26% joint venture with TTK in 2014 / potential to increase ownership level over time
- **Total policy count:** 100K
- **Key Products:**
  - Healthcare, Personal Accident, Critical Illness, and Hospital Income
- **Primary Distribution:** Bancassurance and Affinity



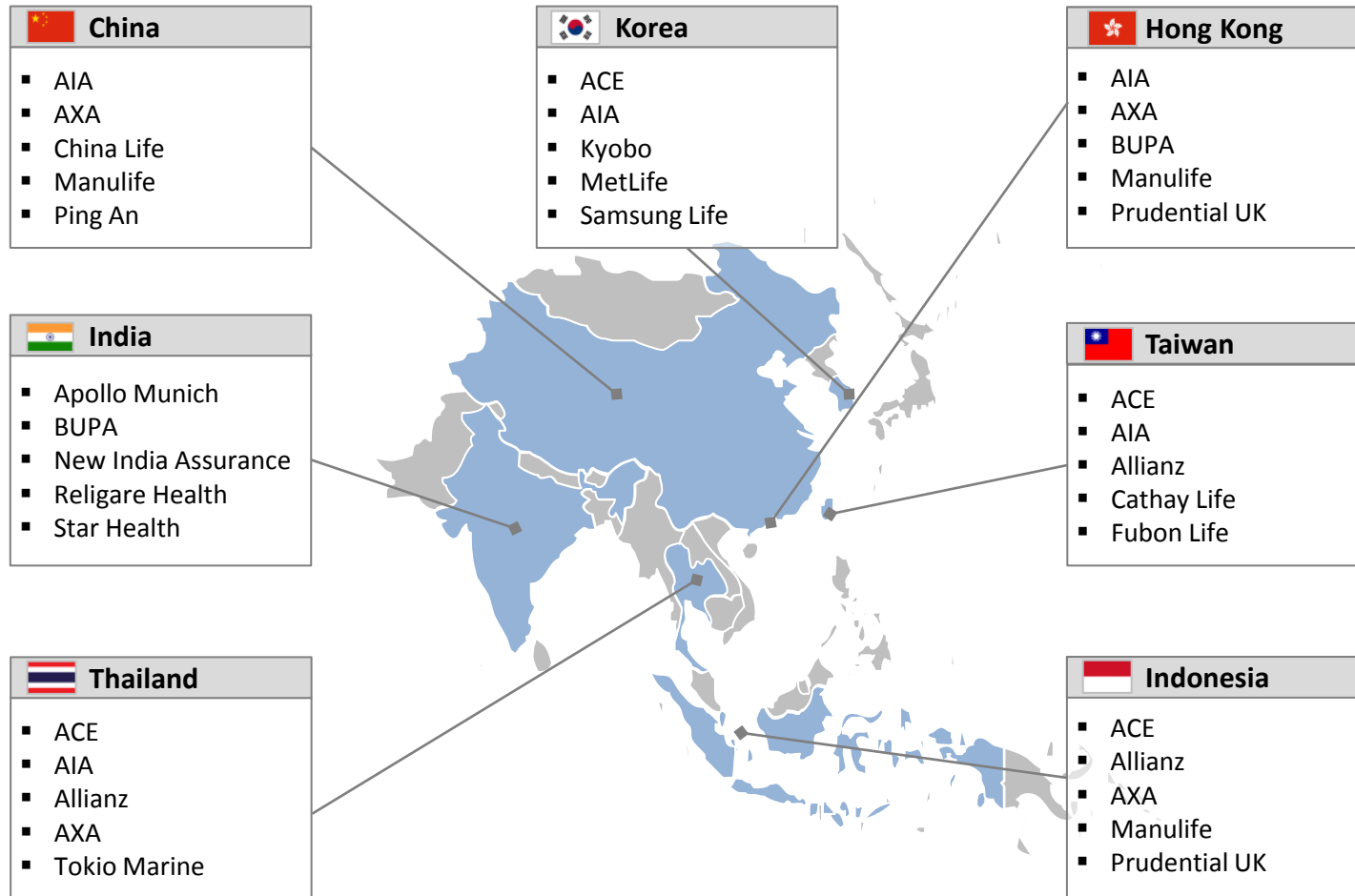
# Global Supplemental Benefits markets

## Global Individual Private Medical Insurance

- Established in 2011 with 7 Global sites across the United States, European Union, and Asia Pacific
- **Total policy count:** 14K
- **Key Products:**
  - Global health insurance
- **Primary Distribution:** Affinity, Broker and Direct



# Cigna faces a mix of local and global competitors in Asia



Unique products, distribution, and insights drive success vs. competitors

# Top priorities for our future growth

## Ongoing momentum in Korea

- Continued focus on core direct marketing distribution with ongoing improvements to segmentation, product development and upsell opportunities
- Test new direct to consumer techniques to diversify distribution

## Go deep in existing JV relationships

- Leverage China Merchants Bank and FinansBank's branch network, customer base and sales infrastructure
- Expand multi-channel approach in India to the 250M mass affluent offering

## Enhance customer centric capabilities

- Deeper customer insights, expansion of Customer Value Management, multi-channel and product breadth across all geographies
- Expand our digital capabilities to facilitate greater access to our solutions and services

Targeted approach for all markets



# Investor considerations

Deep customer insights

Differentiated distribution capabilities

CVM analytics

Innovative product solutions that fill health gaps

Locally licensed and managed by local talent

Drives  
mid teens  
top line and  
bottom line  
growth over  
the long  
term

Driving toward becoming the leading global health and life solutions company





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