

Cigna Corporation

Quarterly Financial Supplement June 30, 2014

This document is dated July 31, 2014. 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
June 30, 2014 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 "segment earnings (loss)," defined as shareholders' net income (loss) before net realized investment gains (losses).

Adjusted income (loss) from operations is defined as segment earnings excluding special items (identified and quantified on page 2) and results of Cigna's guaranteed minimum income benefits business. Adjusted income (loss) from operations is a measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income (loss).

Operating revenues exclude net realized investment results. This measure is used by Cigna's management because it presents the underlying revenue of Cigna's operating businesses.

Adjusted income (loss) from operations 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 (loss) and segment revenues.

Beginning with the first quarter of 2014, Cigna reports its run-off reinsurance business in Other Operations. In addition, in this Quarterly Financial Supplement, Other Operations and Corporate have been combined under the heading "Corporate and Other." Prior year information has been conformed to the current presentation.

In some of the 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 June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
SEGMENT REVENUES						
Global Health Care	\$ 6,810	\$ 6,253	9 %	\$ 13,429	\$ 12,625	6 %
Global Supplemental Benefits	757	647	17	1,473	1,284	15
Group Disability and Life	976	927	5	1,972	1,861	6
Corporate and Other	125	127	(2)	248	228	9
Total operating revenue	8,668	7,954	9	17,122	15,998	7
Net realized investment gains	65	26	150	107	165	(35)
Total Revenues	\$ 8,733	\$ 7,980	9 %	\$ 17,229	\$ 16,163	7 %
ADJUSTED INCOME (LOSS) FROM OPERATIONS						
Global Health Care	\$ 402	\$ 403	- %	\$ 841	\$ 830	1 %
Global Supplemental Benefits	61	49	24	114	104	10
Group Disability and Life	110	104	6	177	153	16
Ongoing operations	573	556	3	1,132	1,087	4
Corporate and Other	(43)	(44)	2	(101)	(78)	(29)
Total	\$ 530	\$ 512	4 %	\$ 1,031	\$ 1,009	2 %
Diluted earnings per share - adjusted income from operations	\$ 1.96	\$ 1.78	10 %	\$ 3.79	\$ 3.50	8 %
SHAREHOLDERS' NET INCOME						
Segment Earnings (Loss)						
Global Health Care	\$ 402	\$ 379	6 %	\$ 841	\$ 806	4 %
Global Supplemental Benefits	61	49	24	114	104	10
Group Disability and Life	110	104	6	177	102	74
Ongoing operations	573	532	8	1,132	1,012	12
Corporate and Other	(43)	(44)	2	(101)	(560)	82
Total	530	488	9	1,031	452	128
Net realized investment gains, net of taxes	43	17	153	70	110	(36)
Shareholders' net income	573	505	13	1,101	562	96
Diluted earnings per share - shareholders' net income	\$ 2.12	\$ 1.76	20 %	\$ 4.05	\$ 1.95	108 %
CUSTOMER RELATIONSHIPS						
	As of June 30,			As of December 31,		
(Relationships, lives and policies in thousands)	2014	2013	% Change	2013	% Change	
Global Health Care Medical Customers: (see page 7)	14,247	14,112	1 %	14,078	1 %	
Other Customer Relationships: (see page 7)						
Behavioral care	23,055	22,386	3	22,515	2	
Dental	12,608	12,217	3	12,234	3	
Pharmacy	7,368	6,946	6	7,095	4	
Medicare Part D	1,208	1,200	1	1,190	2	
Global Supplemental Benefit Policies (see page 9)	12,270	11,798	4	11,869	3	
Group Disability and Life covered lives (estimated)	13,600	12,100	12	13,600	-	
Total customer relationships	84,356	80,759	4 %	82,581	2 %	

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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Three Months Ended June 30,												
Adjusted income (loss) from operations	\$ 1.96	\$ 1.78	\$ 530	\$ 512	\$ 402	\$ 403	\$ 61	\$ 49	\$ 110	\$ 104	\$ (43)	\$ (44)
Results of guaranteed minimum income benefits business	-	-	-	-	-	-	-	-	-	-	-	-
Special items, after-tax:												
Transaction costs associated with PBM services agreement	-	(0.08)	-	(24)	-	(24)	-	-	-	-	-	-
Segment earnings (loss)	1.96	1.70	530	488	\$ 402	\$ 379	\$ 61	\$ 49	\$ 110	\$ 104	\$ (43)	\$ (44)
Net realized investment gains, net of taxes	0.16	0.06	43	17								
Shareholders' net income	\$ 2.12	\$ 1.76	\$ 573	\$ 505								
Weighted average shares (in thousands)	269,921	287,086										
Special Items, pre-tax:												
Transaction costs associated with PBM services agreement			\$ -	\$ (37)	\$ -	\$ (37)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Six Months Ended June 30,												
Adjusted income (loss) from operations	\$ 3.79	\$ 3.50	\$ 1,031	\$ 1,009	\$ 841	\$ 830	\$ 114	\$ 104	\$ 177	\$ 153	\$ (101)	\$ (78)
Results of guaranteed minimum income benefits business	-	0.09	-	25	-	-	-	-	-	-	-	25
Special items, after-tax:												
Transaction costs associated with PBM services agreement	-	(0.08)	-	(24)	-	(24)	-	-	-	-	-	-
Charge related to reinsurance transaction	-	(1.76)	-	(507)	-	-	-	-	-	-	-	(507)
Charge for disability claims regulatory matter	-	(0.18)	-	(51)	-	-	-	-	-	(51)	-	-
Segment earnings (loss)	3.79	1.57	1,031	452	\$ 841	\$ 806	\$ 114	\$ 104	\$ 177	\$ 102	\$ (101)	\$ (560)
Net realized investment gains, net of taxes	0.26	0.38	70	110								
Shareholders' net income	\$ 4.05	\$ 1.95	\$ 1,101	\$ 562								
Weighted average shares (in thousands)	272,181	288,167										
Special Items, pre-tax:												
Transaction costs associated with PBM services agreement			\$ -	\$ (37)	\$ -	\$ (37)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge related to reinsurance transaction			-	(781)	-	-	-	-	-	-	-	(781)
Charge for disability claims regulatory matter			-	(77)	-	-	-	-	-	(77)	-	-
Total			\$ -	\$ (895)	\$ -	\$ (37)	\$ -	\$ -	\$ -	\$ (77)	\$ -	\$ (781)

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums and fees	\$ 7,758	\$ 7,172	8 %	\$ 15,374	\$ 14,486	6 %
Net investment income	294	289	2	571	576	(1)
Mail order pharmacy revenues	547	437	25	1,042	862	21
Other revenues ⁽¹⁾	69	56	23	135	74	82
Total operating revenues	8,668	7,954	9	17,122	15,998	7
Net realized investment gains	65	26	150	107	165	(35)
Total revenues	8,733	7,980	9	17,229	16,163	7
Benefits and Expenses:						
Global Health Care medical claims expense	4,219	3,904	8	8,250	7,951	4
Other benefit expenses excluding special items	1,100	997	10	2,266	2,057	10
Mail order pharmacy costs	469	362	30	883	706	25
Guaranteed minimum income benefits fair value (gain) excluding special items	-	-	-	-	(45)	(100)
Operating expenses excluding special items	2,044	1,913	7	4,076	3,758	8
Special items (see details on page 2)	-	37	(100)	-	895	(100)
Total benefits and expenses	7,832	7,213	9	15,475	15,322	1
Income before income taxes	901	767	17	1,754	841	109
Income taxes:						
Current	329	181	82	639	80	N/M
Deferred	-	80	(100)	14	196	(93)
Total taxes	329	261	26	653	276	(137)
Net income	572	506	13	1,101	565	95
Less: net income (loss) attributable to noncontrolling interests	(1)	1	(200)	-	3	(100)
Shareholders' net income	\$ 573	\$ 505	13 %	\$ 1,101	\$ 562	96 %

(1) Includes pre-tax losses prior to February 4, 2013 resulting from dynamic hedge programs in Cigna's run-off reinsurance operations. These hedge programs were terminated after February 4, 2013 as a result of the reinsurance transaction with Berkshire.

Cigna Corporation
Global Health Care
Segment Earnings (unaudited)

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums and fees	\$ 6,119	\$ 5,687	8 %	\$ 12,113	\$ 11,511	5 %
Net investment income	84	82	2	157	157	-
Mail order pharmacy revenues	547	437	25	1,042	862	21
Other revenues	60	47	28	117	95	23
Segment revenues	<u>6,810</u>	<u>6,253</u>	9	<u>13,429</u>	<u>12,625</u>	6
Benefits and Expenses:						
Global Health Care medical claims expense	4,219	3,904	8	8,250	7,951	4
Mail order pharmacy costs	469	362	30	883	706	25
Operating expenses excluding special items	1,462	1,360	8	2,910	2,679	9
Special items (see details on page 2)	-	37	(100)	-	37	(100)
Benefits and expenses	<u>6,150</u>	<u>5,663</u>	9	<u>12,043</u>	<u>11,373</u>	6
Income before income taxes	660	590	12	1,386	1,252	11
Income taxes	259	211	23	546	446	22
Income (loss) attributable to noncontrolling interest	(1)	-	N/M	(1)	-	N/M
Segment earnings, after-tax	402	379	6	841	806	4
Less: Special items, after-tax (see details on page 2)	-	(24)	100	-	(24)	100
Adjusted income from operations	\$ 402	\$ 403	- %	\$ 841	\$ 830	1 %
Net realized investment gains (losses), net of taxes	\$ 18	\$ (4)	N/M %	\$ 29	\$ 51	(43) %

Cigna Corporation
Global Health Care
Revenue Analysis (unaudited)

(Dollars in millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Premiums:						
Guaranteed cost	\$ 1,165	\$ 1,108	5 %	\$ 2,233	\$ 2,215	1 %
Experience-rated ⁽¹⁾	612	569	8	1,175	1,140	3
Stop loss	566	467	21	1,116	931	20
International health care	454	438	4	910	882	3
Dental	302	282	7	600	565	6
Medicare	1,442	1,413	2	2,871	2,851	1
Medicaid	93	79	18	174	154	13
Medicare Part D	357	351	2	793	787	1
Other	199	182	9	400	364	10
Total Premiums	5,190	4,889	6	10,272	9,889	4
Fees, including international health care	929	798	16	1,841	1,622	14
Premiums and Fees	6,119	5,687	8	12,113	11,511	5
Mail order pharmacy revenues ⁽²⁾	547	437	25	1,042	862	21
Other revenues ⁽³⁾	60	47	28	117	95	23
Net investment income	84	82	2	157	157	-
Segment revenues	\$ 6,810	\$ 6,253	9 %	\$ 13,429	\$ 12,625	6 %

(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. 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 June 30,			Change Favorable (Unfavorable)	Six Months Ended June 30,			Change Favorable (Unfavorable)
	2014	2013			2014	2013		
Guaranteed Cost care ratio ⁽¹⁾	83.1 %	78.7 %	(4.4)	79.7 %	78.2 %	(1.5)		
Medicare Advantage care ratio ⁽²⁾	84.8 %	82.9 %	(1.9)	83.8 %	83.6 %	(0.2)		
Medicare Part D care ratio ⁽²⁾	88.0 %	91.1 %	3.1	93.5 %	95.2 %	1.7		
Operating Expense ratio ⁽³⁾	21.5 %	21.7 %	0.2	21.7 %	21.2 %	(0.5)		

(1) Excludes stop loss products associated with experience-rated and service customers and Cigna's international health care business, and includes rebates on commercial guaranteed cost business determined in accordance with the Patient Protection and Affordable Care Act ("PPACA").

(2) Beginning in 2014, includes rebates on Medicare Advantage and Medicare Part D business determined in accordance with PPACA.

(3) Excludes special items (see details on page 2)

PPACA - Related Fees (unaudited)⁽⁴⁾

(Dollars in millions)	Three Months Ended June 30,		Six Months Ended June 30,	
	2014	2013	2014	2013
Health insurance industry fee	\$ 62	\$ -	\$ 122	\$ -
Reinsurance fee	27	-	54	-
Other fees	4	1	6	2
Total PPACA-related fees	\$ 93	\$ 1	\$ 182	\$ 2

(4) These fees are primarily reported in operating expenses.

Cigna Corporation
Global Health Care
Estimated Covered Lives (unaudited)

COVERED LIVES BY FUNDING TYPE:				As of June 30, 2014		As of June 30, 2013		As of December 31, 2013		As of December 31, 2013		COVERED LIVES BY MARKET SEGMENT:						
(Lives in thousands)				2014	2013	% Change	2013	% Change	2013 ⁽¹⁾	% Change	2013 ⁽¹⁾	% Change	2014	2013 ⁽¹⁾	% Change	2013 ⁽¹⁾	% Change	
Medical customers: ⁽¹⁾												Medical customers: ⁽¹⁾						
Commercial risk:												U.S. Commercial:						
U.S. Guaranteed cost ⁽²⁾				943	953	(1) %	960	(2) %					National Accounts ⁽²⁾	3,804	3,907	(3) %	3,785	1 %
U.S. Experience-rated ⁽³⁾				814	791	3	794	3					Middle Market ⁽²⁾	7,352	7,345	-	7,334	-
International health care - risk				753	767	(2)	742	1					Select ⁽²⁾	1,038	898	16	970	7
Total commercial risk ⁽²⁾				2,510	2,511	-	2,496	1					Individual	301	227	33	237	27
												Small	2	3	(33)	3	(33)	
Medicare				455	458	(1)	467	(3)					Total U.S. Commercial	12,497	12,380	1	12,329	1
Medicaid				30	24	25	25	20					International	1,265	1,250	1	1,257	1
Total risk ⁽²⁾				2,995	2,993	-	2,988	-					Total Commercial	13,762	13,630	1	13,586	1
												Medicare	455	458	(1)	467	(3)	
Total service, including international health care				11,252	11,119	1	11,090	1					Medicaid	30	24	25	25	20
												Total Government	485	482	1	492	(1)	
Medical customers (ex. Limited Benefits) ⁽²⁾				14,247	14,112	1 %	14,078	1 %					Medical customers (ex. Limited Benefits) ⁽²⁾	14,247	14,112	1 %	14,078	1 %
Limited Benefits				-	174	(100)	139	(100)					Limited Benefits	-	174	(100)	139	(100)
Total medical customers				14,247	14,286	- %	14,217	- %					Total medical customers	14,247	14,286	- %	14,217	- %
Other Customer Relationships:																		
Behavioral care ⁽⁴⁾				23,055	22,386	3 %	22,515	2 %										
Dental ⁽⁴⁾				12,608	12,217	3 %	12,234	3 %										
Pharmacy ⁽⁴⁾				7,368	6,946	6 %	7,095	4 %										
Medicare Part D ⁽⁵⁾				1,208	1,200	1 %	1,190	2 %										

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

(2) In connection with U.S. health care reform legislation, Cigna ceased offering limited medical benefits products effective December 31, 2013. Covered lives presented above for 2013 exclude limited medical benefits customers.

(3) 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.

(4) 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. Behavioral and dental customer relationships exclude international health care business. Prior year dental membership has been revised to conform to current presentation.

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

(6) 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 ten states as of December 31, 2013: Arizona, California, Colorado, Connecticut, Florida, Georgia, 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.

(7) 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 Earnings (unaudited)

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums and fees	\$ 722	\$ 613	18 %	\$ 1,402	\$ 1,217	15 %
Net investment income	28	25	12	54	50	8
Other revenues	7	9	(22)	17	17	-
Segment revenues	<u>757</u>	<u>647</u>	17	<u>1,473</u>	<u>1,284</u>	15
Benefits and Expenses:						
Benefit expenses	383	318	20	743	629	18
Operating expenses ⁽¹⁾	292	261	12	580	512	13
Benefits and expenses	<u>675</u>	<u>579</u>	17	<u>1,323</u>	<u>1,141</u>	16
Income before income taxes	82	68	21	150	143	5
Income taxes	21	18	17	35	36	(3)
Income (loss) attributable to noncontrolling interests	-	1	(100)	1	3	(67)
Segment earnings, after-tax	61	49	24	114	104	10
Adjusted income from operations	\$ 61	\$ 49	24 %	\$ 114	\$ 104	10 %
Net realized investment gains, net of taxes	\$ -	\$ 1	(100) %	\$ -	\$ 6	(100) %

(1) Operating expenses include policy acquisition expenses of \$161 million for the three months and \$325 million for the six months ended June 30, 2014 and \$147 million for the three months and \$292 million for the six months ended June 30, 2013.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2013 amounts are presented using 2014 actual exchange rates:

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Excluding the Effect of Foreign Currency Movements:						
Premiums and fees	\$ 722	\$ 638	13 %	\$ 1,402	\$ 1,238	13 %
Adjusted income from operations	\$ 61	\$ 53	15 %	\$ 114	\$ 108	6 %

Cigna Corporation
Global Supplemental Benefits
Key Metrics (unaudited)

(Dollars in millions)

PREMIUMS AND FEES BY GEOGRAPHY:	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Korea	\$ 378	\$ 306	24 %	\$ 732	\$ 611	20 %
U.S.	93	72	29	180	144	25
Taiwan	69	67	3	136	133	2
Europe	69	63	10	135	127	6
Indonesia	22	24	(8)	42	48	(13)
Other	91	81	12	177	154	15
Total ⁽¹⁾	\$ 722	\$ 613	18 %	\$ 1,402	\$ 1,217	15 %
China Joint Venture ⁽¹⁾	\$ 118	\$ 98	20 %	\$ 232	\$ 197	18 %

NUMBER OF POLICIES:	As of June 30,			As of December 31,		
	2014	2013	% Change	2013	% Change	
Global Supplemental Benefits Policies	12,270	11,798	4 %	11,869	3 %	
China Joint Venture ⁽¹⁾	1,133	1,035	9 %	1,090	4 %	

(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 Earnings (unaudited)

(Dollars in millions)

	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums and fees:						
Life	\$ 405	\$ 390	4 %	\$ 813	\$ 776	5 %
Disability	427	396	8	872	798	9
Other	58	60	(3)	121	130	(7)
Total premiums and fees	890	846	5	1,806	1,704	6
Net investment income	85	80	6	166	156	6
Other revenues	1	1	-	-	1	(100)
Segment revenues	976	927	5	1,972	1,861	6
Benefits and Expenses:						
Benefit expenses excluding special items	617	583	6	1,327	1,264	5
Operating expenses excluding special items	199	199	-	389	381	2
Special items (see details on page 2)	-	-	-	-	77	(100)
Benefits and expenses	816	782	4	1,716	1,722	-
Income before income taxes	160	145	10	256	139	84
Income tax expense	50	41	22	79	37	114
Segment earnings, after-tax	110	104	6	177	102	74
Less: Special items, after-tax (see details on page 2)	-	-	-	-	(51)	100
Adjusted income from operations	\$ 110	\$ 104	6 %	\$ 177	\$ 153	16 %
Net realized investment gains, net of taxes	\$ 6	\$ 16	(63) %	\$ 13	\$ 30	(57) %

Cigna Corporation
Corporate and Other ⁽¹⁾
Segment Earnings (unaudited)

<i>(Dollars in millions)</i>	Three Months Ended June 30,			Six Months Ended June 30,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums and fees	\$ 27	\$ 26	4 %	\$ 53	\$ 54	(2) %
Net investment income	97	102	(5)	194	213	(9)
Other revenues ⁽²⁾	<u>1</u>	<u>(1)</u>	200	<u>1</u>	<u>(39)</u>	103
Segment revenues	<u>125</u>	<u>127</u>	(2)	<u>248</u>	<u>228</u>	9
Benefits and Expenses:						
Benefit expenses excluding special items	100	96	4	196	164	20
Guaranteed minimum income benefits income	-	-	-	-	(45)	(100)
Operating expenses excluding special items ⁽²⁾	91	93	(2)	197	186	6
Special items (see details on page 2)	<u>-</u>	<u>-</u>	-	<u>-</u>	<u>781</u>	(100)
Benefits and expenses	<u>191</u>	<u>189</u>	1	<u>393</u>	<u>1,086</u>	(64)
Loss before income taxes	(66)	(62)	(6)	(145)	(858)	83
Income taxes	<u>(23)</u>	<u>(18)</u>	(28)	<u>(44)</u>	<u>(298)</u>	85
Segment loss, after-tax	(43)	(44)	2	(101)	(560)	82
Less: Results of guaranteed minimum income benefits business, after-tax	-	-	-	-	25	(100)
Less: Special items, after-tax (see details on page 2)	-	-	-	-	(507)	100
Adjusted loss from operations	\$ (43)	\$ (44)	2 %	\$ (101)	\$ (78)	(29) %
Net realized investment gains, net of taxes	\$ 19	\$ 4	N/M %	\$ 28	\$ 23	22 %

(1) Beginning with the first quarter of 2014, Cigna reports its run-off reinsurance business in Other Operations. In addition, in this Quarterly Financial Supplement, Other Operations and Corporate have been combined under the heading "Corporate and Other." Prior year information has been conformed to the current presentation.

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

Cigna Corporation
Consolidated Balance Sheets

(Dollars in millions)

	As of June 30, 2014 (Unaudited)	As of December 31, 2013		As of June 30, 2014 (Unaudited)	As of December 31, 2013
Assets					
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$16,598 and \$15,273)	\$ 18,321	\$ 16,486	Contractholder deposit funds	\$ 8,459	\$ 8,470
Equity securities, at fair value (cost, \$136 and \$146)	131	141	Future policy benefits	9,583	9,306
Commercial mortgage loans (see pages 15 and 16)	2,217	2,252	Unpaid claims and claim expenses	4,389	4,298
Policy loans	1,453	1,485	Global Health Care medical claims payable	2,276	2,050
Real estate	62	97	Unearned premiums and fees	<u>625</u>	<u>580</u>
Other long-term investments	1,336	1,273	Total insurance and contractholder liabilities	25,332	24,704
Short-term investments	<u>232</u>	<u>631</u>	Accounts payable, accrued expenses and other liabilities	5,726	5,456
Total investments	23,752	22,365	Short-term debt	121	233
Cash and cash equivalents	1,967	2,795	Long-term debt	5,022	5,014
Accrued investment income	245	247	Deferred tax liabilities, net	34	-
Premiums, accounts and notes receivable, net	2,657	1,991	Separate account liabilities	<u>8,643</u>	<u>8,252</u>
Reinsurance recoverables ⁽¹⁾	7,132	7,299	Total liabilities	<u>44,878</u>	<u>43,659</u>
Deferred policy acquisition costs	1,510	1,395	Redeemable noncontrolling interest	99	96
Property and equipment	1,498	1,464	Shareholders' Equity		
Deferred tax assets, net	-	92	Common stock	92	92
Goodwill	6,033	6,029	Additional paid-in capital	3,405	3,356
Other assets, including other intangibles ⁽²⁾	2,492	2,407	Net unrealized appreciation, fixed maturities	\$ 663	\$ 473
Separate account assets	8,643	8,252	Net unrealized appreciation, equity securities	3	4
			Net unrealized depreciation, derivatives	(19)	(19)
			Net translation of foreign currencies	117	82
			Postretirement benefits liability adjustment	<u>(1,037)</u>	<u>(1,060)</u>
			Accumulated other comprehensive loss	(273)	(520)
			Retained earnings	14,677	13,676
			Less treasury stock, at cost	<u>(6,964)</u>	<u>(6,037)</u>
			Total shareholders' equity	10,937	10,567
			Noncontrolling interest	<u>15</u>	<u>14</u>
			Total equity	10,952	10,581
Total assets	\$ 55,929	\$ 54,336	Total liabilities and equity	\$ 55,929	\$ 54,336

(1) Includes \$6.2 billion as of June 30, 2014 and \$6.4 billion as of December 31, 2013 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 June 30, 2014 and \$0.8 billion as of December 31, 2013 related to the GMIB liability.

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

(Dollars in millions)

Sector	As of June 30, 2014				As of December 31, 2013			
	Public	Private	Total ⁽¹⁾	% of Fixed Maturities	Public	Private	Total ⁽¹⁾	% of Fixed Maturities
United States Government	\$ 1,252	\$ -	\$ 1,252	7%	\$ 880	\$ -	\$ 880	5%
States and Local Government	2,023	-	2,023	11%	2,144	-	2,144	13%
Foreign Government	1,643	63	1,706	9%	1,391	53	1,444	9%
Government	4,918	63	4,981	27%	4,415	53	4,468	27%
Basic Industry	1,331	818	2,149	12%	1,057	798	1,855	12%
Capital Goods	520	886	1,406	8%	444	890	1,334	8%
Communications	667	46	713	4%	575	57	632	4%
Consumer	1,666	1,028	2,694	15%	1,353	999	2,352	15%
Electric and Utility	798	778	1,576	9%	583	732	1,315	8%
Energy and Natural Gas	795	624	1,419	8%	695	615	1,310	8%
Financial	1,755	428	2,183	12%	1,568	382	1,950	12%
Other	167	90	257	1%	169	64	233	1%
Corporate	7,699	4,698	12,397	69%	6,444	4,537	10,981	68%
Collateralized Debt Obligations	10	-	10	0%	21	-	21	0%
Credit Card	46	-	46	0%	48	1	49	0%
Home Equity	1	-	1	0%	1	-	1	0%
Foreign Bank Obligations	-	409	409	2%	-	463	463	3%
Other	25	305	330	2%	4	346	350	2%
Asset-Backed Securities	82	714	796	4%	74	810	884	5%
Commercial Mortgage-Backed Securities	78	-	78	0%	76	-	76	0%
Collateralized Mortgage Obligations	69	-	69	0%	76	1	77	0%
Total Fixed Maturities ⁽²⁾	\$ 12,846	\$ 5,475	\$ 18,321	100%	\$ 11,085	\$ 5,401	\$ 16,486	100%
% of Fixed Maturities	70%	30%	100%		67%	33%	100%	

(1) 89% and 88% of fixed maturities were investment grade as of June 30, 2014 and December 31, 2013, respectively. 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 \$9 million and \$21 million as of June 30, 2014 and December 31, 2013, respectively. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2014 expected to be filed on July 31, 2014.

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

(Dollars in millions)

Sector	As of June 30, 2014			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 914	\$ 338	\$ -	\$ 1,252
State and Local Government	1,838	188	3	2,023
Foreign Government	1,620	91	5	1,706
Government	4,372	617	8	4,981
Basic Industry	1,984	169	4	2,149
Capital Goods	1,268	139	1	1,406
Communications	653	60	-	713
Consumer	2,488	208	2	2,694
Electric and Utility	1,427	151	2	1,576
Energy and Natural Gas	1,284	136	1	1,419
Financial	2,033	151	1	2,183
Other	252	6	1	257
Corporate	11,389	1,020	12	12,397
Collateralized Debt Obligations	6	4	-	10
Credit Card	45	1	-	46
Home Equity	1	-	-	1
Foreign Bank Obligations	330	79	-	409
Other	311	19	-	330
Asset-Backed Securities	693	103	-	796
Commercial Mortgage-Backed Securities	76	4	2	78
Collateralized Mortgage Obligations	68	1	-	69
Total Fixed Maturities	\$ 16,598	\$ 1,745	\$ 22	\$ 18,321

As of December 31, 2013			
Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
\$ 640	\$ 242	\$ 2	\$ 880
1,983	167	6	2,144
1,392	64	12	1,444
4,015	473	20	4,468
1,755	119	19	1,855
1,232	107	5	1,334
591	43	2	632
2,211	154	13	2,352
1,226	102	13	1,315
1,212	105	7	1,310
1,848	115	13	1,950
231	4	2	233
10,306	749	74	10,981
17	4	-	21
49	-	-	49
1	-	-	1
396	68	1	463
336	15	1	350
799	87	2	884
75	3	2	76
78	-	1	77
\$ 15,273	\$ 1,312	\$ 99	\$ 16,486

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of June 30, 2014

(Dollars in millions)

Geographic Region	Property Type						Total ⁽¹⁾	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other		
Massachusetts	\$ 183	\$ 57	\$ 11	\$ 61	\$ -	\$ -	\$ 312	14%
Other ⁽²⁾	-	-	7	-	17	-	24	1%
New England	183	57	18	61	17	-	336	15%
New York	135	55	-	-	-	-	190	8%
New Jersey	42	-	56	5	-	-	103	5%
Middle Atlantic	177	55	56	5	-	-	293	13%
Virginia	161	-	-	55	21	-	237	11%
Florida	-	-	107	-	-	-	107	5%
Georgia	-	21	66	-	15	-	102	5%
Maryland	38	-	-	21	-	6	65	3%
North Carolina	-	35	31	-	-	-	66	3%
Other ⁽²⁾	-	-	1	-	15	-	16	0%
South Atlantic	199	56	205	76	51	6	593	27%
Texas	-	19	2	10	33	-	64	3%
Other ⁽²⁾	37	7	101	-	19	-	164	7%
Central	37	26	103	10	52	-	228	10%
Other ⁽²⁾	-	-	3	39	-	-	42	2%
Mountain	-	-	3	39	-	-	42	2%
California	90	124	73	182	133	22	624	28%
Oregon	34	-	12	-	18	-	64	3%
Other ⁽²⁾	14	12	-	-	11	-	37	2%
Pacific	138	136	85	182	162	22	725	33%
Totals	\$ 734	\$ 330	\$ 470	\$ 373	\$ 282	\$ 28	\$ 2,217	100%
% of Mortgage Loans	33%	15%	21%	17%	13%	1%	100%	

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$209 million and \$158 million as of June 30, 2014 and December 31, 2013, respectively. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended June 30, 2014, expected to be filed on July 31, 2014.

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

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of June 30, 2014

(Dollars in millions)

	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other	Total	% of Mortgage Loans
Loan to Value Ratio ⁽¹⁾	60%	57%	73%	60%	67%	60%	63%	
Origination Years								
Pre-2010	\$ 404	\$ 77	\$ 225	\$ 154	\$ 145	\$ 22	\$ 1,027	46%
2010	51	36	72	10	-	-	169	8%
2011	177	59	100	75	41	-	452	21%
2012	32	103	2	102	96	-	335	15%
2013	16	-	-	32	-	6	54	2%
2014	54	55	71	-	-	-	180	8%
Totals	\$ 734	\$ 330	\$ 470	\$ 373	\$ 282	\$ 28	\$ 2,217	100%

(1) 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 2014. For more information, please refer to Cigna's Form 10-Q for the period ended June 30, 2014, expected to be filed on July 31, 2014.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

Six Months Ended June 30,
2014 2013

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$	1,101	\$	565
Adjustments to reconcile net income to net cash (used in) / provided by operating activities:				
Depreciation and amortization		289		299
Realized investment gains		(107)		(165)
Deferred income taxes		14		196
Gains on sales of businesses (excluding discontinued operations)		(7)		(8)
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(660)		(192)
Reinsurance recoverables		67		356
Deferred policy acquisition costs		(100)		(140)
Other assets		(98)		251
Insurance liabilities ⁽¹⁾		359		779
Accounts payable, accrued expenses and other liabilities ⁽²⁾		78		(359)
Current income taxes		100		(89)
Other, net		(34)		(20)
Subtotal		1,002		1,473
Cash used to effectively exit run-off reinsurance business		-		(2,196)
Net cash provided by / (used in) operating activities		1,002		(723)
Net cash (used in) / provided by investing activities		(832)		1,147
Net cash used in financing activities		(1,007)		(154)
Effect of foreign currency rate changes on cash and cash equivalents		9		(39)
Net (decrease) increase in cash and cash equivalents		(828)		231
Cash and cash equivalents, beginning of year		2,795		2,978
Cash and cash equivalents, end of period	\$	1,967	\$	3,209

(1) Includes pre-tax cash outflows of \$28 million for the period ended June 30, 2013 from the dynamic hedge program to manage equity risks in Cigna's Run-off Reinsurance operations. This hedge program was terminated after February 4, 2013 as a result of the reinsurance transaction with Berkshire.

(2) Includes pre-tax domestic qualified pension plan contributions of \$113 million for the period ended June 30, 2014 and \$28 million for the period ended June 30, 2013.