

# Cigna Corporation

## Quarterly Financial Supplement September 30, 2015

*This document is dated November 6, 2015. 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**  
**September 30, 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, 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 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 September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>REVENUES</b>						
<b>Operating Revenues</b>						
Global Health Care	\$ 7,408	\$ 6,844	8 %	\$ 22,361	\$ 20,273	10 %
Global Supplemental Benefits	793	775	2	2,344	2,248	4
Group Disability and Life	1,064	990	7	3,186	2,962	8
Corporate and Other	114	125	(9)	353	373	(5)
Total operating revenue	9,379	8,734	7	28,244	25,856	9
Net realized investment gains	10	23	(57)	104	130	(20)
Total revenues	\$ 9,389	\$ 8,757	7 %	\$ 28,348	\$ 25,986	9 %

**SHAREHOLDERS' NET INCOME**

**Adjusted Income (Loss) From Operations**

Global Health Care	\$ 482	\$ 460	5 %	\$ 1,454	\$ 1,355	7 %
Global Supplemental Benefits	62	86	(28)	208	207	-
Group Disability and Life	84	55	53	241	232	4
Ongoing operations	628	601	4	1,903	1,794	6
Corporate and Other	(35)	(53)	34	(133)	(154)	14
Total	593	548	8	1,770	1,640	8
After-tax adjustments to reconcile to shareholders' net income:						
Realized investment gains	7	15		68	85	
Amortization of other acquired intangible assets	(24)	(29)		(76)	(90)	
Special Items (see details on page 2)	(29)	-		(94)	-	
Shareholders' net income	\$ 547	\$ 534	2 %	\$ 1,668	\$ 1,635	2 %
Diluted earnings per share:						
Adjusted income from operations	\$ 2.28	\$ 2.06	11 %	\$ 6.79	\$ 6.07	12 %
Shareholders' net income	\$ 2.10	\$ 2.01	4 %	\$ 6.40	\$ 6.05	6 %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization	\$ 1,117	\$ 1,008	11 %	\$ 3,349	\$ 3,076	9 %

**CUSTOMER RELATIONSHIPS**

(Relationships, lives and policies in thousands)

	As of September 30,			As of December 31,		
	2015	2014	% Change	2014	% Change	
<b>Global Health Care Medical Customers</b> (see page 7)	14,849	14,346	4 %	14,456	3 %	
<b>Other Customer Relationships:</b> (see page 7)						
Behavioral care	24,591	23,494	5	23,853	3	
Dental	13,872	13,546	2	13,571	2	
Pharmacy	7,980	7,445	7	7,542	6	
Medicare Part D	1,472	1,194	23	1,188	24	
Global Supplemental Benefit Policies (see page 9)	12,808	12,324	4	12,342	4	
Group Disability and Life covered lives (estimated)	14,200	13,600	4	14,200	-	
Total customer relationships	89,772	85,949	4 %	87,152	3 %	

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

(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 September 30,</b>												
Adjusted income (loss) from operations	\$ 2.28	\$ 2.06	\$ 593	\$ 548	\$ 482	\$ 460	\$ 62	\$ 86	\$ 84	\$ 55	\$ (35)	\$ (53)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.02	0.06	7	15	14	11	(1)	-	(6)	2	-	2
Amortization of other acquired intangible assets	(0.09)	(0.11)	(24)	(29)	(21)	(26)	(3)	(3)	-	-	-	-
Special items:												
Merger-related transaction costs	(0.11)	-	(29)	-	-	-	-	-	-	-	(29)	-
Shareholders' net income	\$ 2.10	\$ 2.01	\$ 547	\$ 534	\$ 475	\$ 445	\$ 58	\$ 83	\$ 78	\$ 57	\$ (64)	\$ (51)
Weighted average shares (in thousands)	260,519	265,891										
Special Items, pre-tax:												
Merger-related transaction costs			(35)	-	-	-	-	-	-	-	(35)	-
Total			\$ (35)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (35)	\$ -

	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>Nine Months Ended September 30,</b>												
Adjusted income (loss) from operations	\$ 6.79	\$ 6.07	\$ 1,770	\$ 1,640	\$ 1,454	\$ 1,355	\$ 208	\$ 207	\$ 241	\$ 232	\$ (133)	\$ (154)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.26	0.31	68	85	50	40	(1)	-	13	15	6	30
Amortization of other acquired intangible assets	(0.29)	(0.33)	(76)	(90)	(64)	(80)	(12)	(10)	-	-	-	-
Special items:												
Debt extinguishment costs	(0.25)	-	(65)	-	-	-	-	-	-	-	(65)	-
Merger-related transaction costs	(0.11)	-	(29)	-	-	-	-	-	-	-	(29)	-
Shareholders' net income	\$ 6.40	\$ 6.05	\$ 1,668	\$ 1,635	\$ 1,440	\$ 1,315	\$ 195	\$ 197	\$ 254	\$ 247	\$ (221)	\$ (124)
Weighted average shares (in thousands)	260,617	270,061										
Common shares outstanding as of September 30, (in thousands)	257,592	262,805										
Special Items, pre-tax:												
Debt extinguishment costs			\$ (100)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (100)	\$ -
Merger-related transaction costs			(35)	-	-	-	-	-	-	-	(35)	-
Total			\$ (135)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (135)	\$ -

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 7,347	\$ 6,832	8 %	\$ 22,181	\$ 20,308	9 %
Fees	1,038	961	8	3,161	2,859	11
Net investment income	285	292	(2)	858	863	(1)
Mail order pharmacy revenues	643	583	10	1,846	1,625	14
Other revenues	66	66	-	198	201	(1)
Total operating revenues	9,379	8,734	7	28,244	25,856	9
Net realized investment gains	10	23	(57)	104	130	(20)
Total revenues	9,389	8,757	7	28,348	25,986	9
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,539	4,153	9	13,720	12,403	11
Other benefit expenses	1,230	1,207	2	3,698	3,473	6
Mail order pharmacy costs	532	499	7	1,553	1,382	12
Operating expenses excluding special items	1,964	1,870	5	5,933	5,525	7
Depreciation and amortization:						
Amortization of other acquired intangible assets	39	46	(15)	122	146	(16)
Depreciation and other amortization	110	100	10	329	289	14
Total depreciation and amortization	149	146	2	451	435	4
Interest expense	62	64	(3)	190	196	(3)
Special items (see details on page 2)	35	-	N/M	135	-	N/M
Total benefits and expenses	8,511	7,939	7	25,680	23,414	10
Income before income taxes	878	818	7	2,668	2,572	4
Income taxes:						
Current	282	289	(2)	965	928	4
Deferred	52	(2)	N/M	44	12	267
Total taxes	334	287	16	1,009	940	7
<b>Net income</b>	544	531	2	1,659	1,632	2
<b>Less: net (loss) attributable to noncontrolling interests</b>	(3)	(3)	-	(9)	(3)	(200)
<b>Shareholders' net income</b>	\$ 547	\$ 534	2 %	\$ 1,668	\$ 1,635	2 %

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 5,607	\$ 5,177	8 %	\$ 17,004	\$ 15,449	10 %
Fees	1,012	932	9	3,078	2,773	11
Net investment income	85	87	(2)	251	244	3
Mail order pharmacy revenues	643	583	10	1,846	1,625	14
Other revenues	61	65	(6)	182	182	-
Operating revenues	7,408	6,844	8	22,361	20,273	10
Net realized investment gains	19	16	19	76	60	27
Total revenues	7,427	6,860	8	22,437	20,333	10
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,539	4,153	9	13,720	12,403	11
Mail order pharmacy costs	532	499	7	1,553	1,382	12
Operating expenses	1,542	1,459	6	4,686	4,283	9
Amortization of other acquired intangible assets	34	42	(19)	103	128	(20)
Benefits and expenses	6,647	6,153	8	20,062	18,196	10
Income before income taxes	780	707	10	2,375	2,137	11
Income taxes	306	263	16	937	824	14
(Loss) attributable to noncontrolling interest	(1)	(1)	-	(2)	(2)	-
Shareholders' net income from Global Health Care	475	445	7	1,440	1,315	10
After-tax adjustments required to reconcile to adjusted income from operations:						
Realized investment (gains)	(14)	(11)		(50)	(40)	
Amortization of other acquired intangible assets	21	26		64	80	
<b>Adjusted income from operations</b>	<b>\$ 482</b>	<b>\$ 460</b>	<b>5 %</b>	<b>\$ 1,454</b>	<b>\$ 1,355</b>	<b>7 %</b>

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

(Dollars in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Premiums:</b>						
Guaranteed cost	\$ 1,198	\$ 1,189	1 %	\$ 3,571	\$ 3,422	4 %
Experience-rated <sup>(1)</sup>	586	567	3	1,716	1,742	(1)
Stop loss	681	592	15	1,997	1,708	17
International health care	451	461	(2)	1,376	1,371	-
Dental	352	327	8	1,035	927	12
Medicare	1,517	1,392	9	4,613	4,263	8
Medicaid	280	142	97	815	316	158
Medicare Part D	339	304	12	1,238	1,097	13
Other	203	203	-	643	603	7
<b>Total Premiums</b>	<b>5,607</b>	<b>5,177</b>	<b>8</b>	<b>17,004</b>	<b>15,449</b>	<b>10</b>
Fees, including international health care	1,012	932	9	3,078	2,773	11
Premiums and Fees	6,619	6,109	8	20,082	18,222	10
Net investment income	85	87	(2)	251	244	3
Mail order pharmacy revenues <sup>(2)</sup>	643	583	10	1,846	1,625	14
Other revenues <sup>(3)</sup>	61	65	(6)	182	182	-
<b>Operating revenues</b>	<b>\$ 7,408</b>	<b>\$ 6,844</b>	<b>8 %</b>	<b>\$ 22,361</b>	<b>\$ 20,273</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 September 30,				Change Favorable (Unfavorable)	Nine Months Ended September 30,				Change Favorable (Unfavorable)
	2015		2014			2015		2014		
<u>Medical Care Ratios:</u>										
Commercial	79.3	%	78.0	%	(1.3)	77.3	%	77.3	%	-
Government	83.6	%	84.1	%	0.5	85.9	%	85.4	%	(0.5)
Consolidated Global Health Care	81.0	%	80.2	%	(0.8)	80.7	%	80.3	%	(0.4)
Operating Expense ratio <sup>(1)</sup>	20.8	%	21.3	%	0.5	21.0	%	21.1	%	0.1

(1) Excludes amortization of other acquired intangible assets.

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

(Dollars in millions)

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2015		2014		2015		2014	
Health insurance industry tax	\$	77	\$	60	\$	233	\$	182
Reinsurance fee		21		24		56		78
Other fees		4		3		12		9
Total PPACA-related taxes and fees	\$	102	\$	87	\$	301	\$	269

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



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

COVERED LIVES BY FUNDING TYPE:	As of September 30,			As of December 31,		
	2015	2014	% Change	2014	% Change	
<i>(Lives in thousands)</i>						
<b>Medical customers: <sup>(1)</sup></b>						
Commercial risk:						
U.S. Guaranteed cost	864	929	(7) %	930	(7) %	
U.S. Experience-rated <sup>(2)</sup>	841	836	1	840	-	
International health care - risk	787	760	4	764	3	
Total commercial risk <sup>(2)</sup>	2,492	2,525	(1)	2,534	(2)	
Medicare	493	456	8	459	7	
Medicaid	65	58	12	59	10	
Total risk	3,050	3,039	-	3,052	-	
Total service, including international health care	11,799	11,307	4	11,404	3	
<b>Total medical customers</b>	<b>14,849</b>	<b>14,346</b>	<b>4 %</b>	<b>14,456</b>	<b>3 %</b>	
<b>Other Customer Relationships:</b>						
Behavioral care <sup>(3)</sup>	24,591	23,494	5 %	23,853	3 %	
Dental <sup>(3)</sup>	13,872	13,546	2 %	13,571	2 %	
Pharmacy <sup>(3)</sup>	7,980	7,445	7 %	7,542	6 %	
Medicare Part D <sup>(4)</sup>	1,472	1,194	23 %	1,188	24 %	

<sup>(1)</sup> 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.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

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

COVERED LIVES BY MARKET SEGMENT: <sup>(5)</sup>	As of September 30,			As of December 31,		
	2015	2014 <sup>(6)</sup>	% Change	2014 <sup>(6)</sup>	% Change	
<i>(Lives in thousands)</i>						
<b>Medical customers: <sup>(1)</sup></b>						
U.S. Commercial:						
National Accounts	3,716	3,792	(2) %	3,779	(2) %	
Middle Market	7,755	7,410	5	7,496	3	
Select	1,194	1,064	12	1,105	8	
Individual	215	295	(27)	281	(23)	
Small	2	2	-	2	-	
Total U.S. Commercial	12,882	12,563	3	12,663	2	
International	1,409	1,269	11	1,275	11	
Total Commercial	14,291	13,832	3	13,938	3	
Medicare	493	456	8	459	7	
Medicaid	65	58	12	59	10	
Total Government	558	514	9	518	8	
<b>Total medical customers</b>	<b>14,849</b>	<b>14,346</b>	<b>4 %</b>	<b>14,456</b>	<b>3 %</b>	

<sup>(5)</sup> 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 September 30, 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.

<sup>(6)</sup> 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 September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 756	\$ 735	3 %	\$ 2,229	\$ 2,124	5 %
Fees	5	8	(38)	16	21	(24)
Net investment income	26	28	(7)	78	82	(5)
Other revenues	6	4	50	21	21	-
Operating revenues	793	775	2	2,344	2,248	4
Net realized investment gains (losses)	(1)	1	(200)	-	1	(100)
Total revenues	792	776	2	2,344	2,249	4
<b>Benefits and Expenses:</b>						
Benefit expenses	413	404	2	1,233	1,147	7
Operating expenses <sup>(1)</sup>	306	290	6	862	856	1
Amortization of other acquired intangible assets	5	4	25	19	18	6
Benefits and expenses	724	698	4	2,114	2,021	5
Income before income taxes	68	78	(13)	230	228	1
Income taxes (benefits)	12	(3)	N/M	42	32	31
Income (loss) attributable to noncontrolling interests	(2)	(2)	-	(7)	(1)	N/M
Shareholders' net income from Global Supplemental Benefits	58	83	(30)	195	197	(1)
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment losses	1	-		1	-	
Amortization of other acquired intangible assets	3	3		12	10	
<b>Adjusted income from operations</b>	<b>\$ 62</b>	<b>\$ 86</b>	<b>(28) %</b>	<b>\$ 208</b>	<b>\$ 207</b>	<b>- %</b>

(1) Operating expenses include policy acquisition expenses of \$160 million for the three months and \$447 million for the nine months ended September 30, 2015 and \$154 million for the three months and \$471 million for the nine months ended September 30, 2014.

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:

(Dollars in millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Excluding the Effect of Foreign Currency Movements:</b>						
Premiums and fees	\$ 761	\$ 670	14 %	\$ 2,245	\$ 2,004	12 %
Adjusted income from operations	\$ 62	\$ 70	(11) %	\$ 208	\$ 184	13 %

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

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
Korea	\$ 369	\$ 388	(5) %	\$ 1,134	\$ 1,120	1 %
U.S.	145	99	46	383	279	37
Taiwan	70	70	-	209	206	1
UK	55	60	(8)	159	169	(6)
Turkey	21	23	(9)	65	68	(4)
Other	101	103	(2)	295	303	(3)
<b>Total <sup>(1)</sup></b>	<b>\$ 761</b>	<b>\$ 743</b>	<b>2 %</b>	<b>\$ 2,245</b>	<b>\$ 2,145</b>	<b>5 %</b>
China Joint Venture <sup>(1)</sup>	\$ 161	\$ 125	29 %	\$ 444	\$ 357	24 %

NUMBER OF POLICIES:	As of September 30,			As of December 31,		
	2015	2014	% Change	2014	% Change	
Global Supplemental Benefits Policies	12,808	12,324	4 %	12,342	4 %	
China Joint Venture <sup>(1)</sup>	1,386	1,180	17 %	1,227	13 %	

(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 September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums:						
Life	\$ 444	\$ 409	9 %	\$ 1,329	\$ 1,222	9 %
Disability	448	419	7	1,342	1,247	8
Other	67	60	12	196	181	8
Total premiums	959	888	8	2,867	2,650	8
Fees	21	21	-	67	65	3
Net investment income	84	80	5	252	246	2
Other revenues	-	1	(100)	-	1	(100)
Operating revenues	1,064	990	7	3,186	2,962	8
Net realized investment gains (losses)	(9)	3	N/M	21	23	(9)
Total revenues	1,055	993	6	3,207	2,985	7
<b>Benefits and Expenses:</b>						
Benefit expenses	731	709	3	2,202	2,036	8
Operating expenses	211	201	5	633	590	7
Benefits and expenses	942	910	4	2,835	2,626	8
Income before income taxes	113	83	36	372	359	4
Income taxes	35	26	35	118	112	5
Shareholders' net income from Group Disability and Life	78	57	37	254	247	3
After-tax adjustments to reconcile to adjusted income from operations:						
Realized investment (gains) losses	6	(2)		(13)	(15)	
<b>Adjusted income from operations</b>	<b>\$ 84</b>	<b>\$ 55</b>	<b>53 %</b>	<b>\$ 241</b>	<b>\$ 232</b>	<b>4 %</b>

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

<i>(Dollars in millions)</i>	Three Months Ended September 30,			Nine Months Ended September 30,		
	2015	2014	% Change	2015	2014	% Change
<b>Revenues:</b>						
Premiums	\$ 25	\$ 32	(22) %	\$ 81	\$ 85	(5) %
Net investment income	90	97	(7)	277	291	(5)
Other revenues	<u>(1)</u>	<u>(4)</u>	75	<u>(5)</u>	<u>(3)</u>	(67)
Operating revenues	114	125	(9)	353	373	(5)
Net realized investment gains	<u>1</u>	<u>3</u>	(67)	<u>7</u>	<u>46</u>	(85)
Total revenues	<u>115</u>	<u>128</u>	(10)	<u>360</u>	<u>419</u>	(14)
<b>Benefits and Expenses:</b>						
Benefit expenses	86	94	(9)	263	290	(9)
Operating expenses excluding special items <sup>(2)</sup>	77	84	(8)	271	281	(4)
Special items (see details on page 2)	<u>35</u>	<u>-</u>	N/M	<u>135</u>	<u>-</u>	N/M
Benefits and expenses	<u>198</u>	<u>178</u>	11	<u>669</u>	<u>571</u>	17
Loss before income taxes	(83)	(50)	(66)	(309)	(152)	(103)
Income taxes (benefits)	(19)	1	N/M	(88)	(28)	(214)
Shareholders' net loss from Corporate and Other Operations	(64)	(51)	(25)	(221)	(124)	(78)
Adjustments to reconcile to adjusted loss from operations:						
Realized investment (gains)	-	(2)		(6)	(30)	
Amortization of other acquired intangible assets						
Special items (see details on page 2)	29	-		94	-	
<b>Adjusted loss from operations</b>	<b>\$ (35)</b>	<b>\$ (53)</b>	<b>34 %</b>	<b>\$ (133)</b>	<b>\$ (154)</b>	<b>14 %</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 September 30, 2015 (Unaudited)	As of December 31, 2014		As of September 30, 2015 (Unaudited)	As of December 31, 2014
<b>Assets</b>					
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$17,466 and \$17,278)	\$ 18,747	\$ 18,983	Contractholder deposit funds	\$ 8,418	\$ 8,430
Equity securities, at fair value (cost, \$192 and \$199)	184	189	Future policy benefits	9,482	9,642
Commercial mortgage loans (see pages 15 and 16)	2,015	2,081	Unpaid claims and claim expenses	4,538	4,400
Policy loans	1,431	1,438	Global Health Care medical costs payable	2,459	2,180
Other long-term investments	1,428	1,488	Unearned premiums	591	621
Short-term investments	94	163	Total insurance and contractholder liabilities	25,488	25,273
Total investments	23,899	24,342	Accounts payable, accrued expenses and other liabilities	6,454	6,264
Cash and cash equivalents	2,381	1,420	Short-term debt	149	147
Premiums, accounts and notes receivable, net	3,804	2,757	Long-term debt	5,056	5,005
Reinsurance recoverables <sup>(1)</sup>	6,846	7,080	Separate account liabilities	7,908	8,328
Deferred policy acquisition costs	1,548	1,502	Total liabilities	45,055	45,017
Property and equipment	1,483	1,502	Redeemable noncontrolling interests	67	90
Deferred income taxes, net	327	293	<b>Shareholders' Equity</b>		
Goodwill	6,040	5,989	Common stock	74	74
Other assets, including other intangibles <sup>(2)</sup>	2,673	2,683	Additional paid-in capital	2,845	2,769
Separate account assets	7,908	8,328	Accumulated other comprehensive loss	(1,215)	(936)
			Retained earnings	11,706	10,289
			Less treasury stock, at cost	(1,636)	(1,422)
			Total shareholders' equity	11,774	10,774
			Noncontrolling interests	13	15
			Total equity	11,787	10,789
<b>Total assets</b>	<b>\$ 56,909</b>	<b>\$ 55,896</b>	<b>Total liabilities and equity</b>	<b>\$ 56,909</b>	<b>\$ 55,896</b>

(1) Includes \$5.9 billion as of September 30, 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 \$1.0 billion as of September 30, 2015 and December 31, 2014 related to the GMIB liability.

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

(Dollars in millions)

Sector	As of September 30, 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	\$ 861	\$ -	\$ 861	5%	\$ 954	\$ -	\$ 954	5%
States and Local Government	1,717	-	1,717	9%	1,856	-	1,856	10%
Foreign Government	1,884	66	1,950	10%	1,872	68	1,940	10%
Government	4,462	66	4,528	24%	4,682	68	4,750	25%
Basic Industry	1,368	1,004	2,372	13%	1,410	860	2,270	12%
Capital Goods	652	1,092	1,744	9%	751	1,035	1,786	9%
Communications	847	25	872	5%	858	25	883	5%
Consumer	1,847	1,005	2,852	15%	1,739	1,123	2,862	15%
Electric and Utility	867	889	1,756	9%	1,091	916	2,007	11%
Energy and Natural Gas	803	602	1,405	8%	798	653	1,451	8%
Financial	1,763	601	2,364	13%	1,475	512	1,987	10%
Other	182	77	259	1%	158	94	252	1%
Corporate	8,329	5,295	13,624	73%	8,280	5,218	13,498	71%
Mortgage-Backed	54	1	55	0%	84	1	85	0%
Foreign Bank Obligations	-	244	244	1%	-	334	334	2%
Other Asset-Backed	51	245	296	2%	64	252	316	2%
Mortgage and other asset-backed	105	490	595	3%	148	587	735	4%
<b>Total Fixed Maturities <sup>(2)</sup></b>	<b>\$ 12,896</b>	<b>\$ 5,851</b>	<b>\$ 18,747</b>	<b>100%</b>	<b>\$ 13,110</b>	<b>\$ 5,873</b>	<b>\$ 18,983</b>	<b>100%</b>
% of Fixed Maturities	69%	31%	100%		69%	31%	100%	

(1) 89% and 90% of fixed maturities were investment grade as of September 30, 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 \$22 million as of September 30, 2015 and \$13 million as of December 31, 2014. For more information, please refer to Cigna's Form 10-Q for the period ended September 30, 2015 expected to be filed on November 6, 2015.

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

(Dollars in millions)

Sector	As of September 30, 2015			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 553	\$ 308	\$ -	\$ 861
State and Local Government	1,569	151	3	1,717
Foreign Government	1,815	140	5	1,950
Government	3,937	599	8	4,528
Basic Industry	2,309	121	58	2,372
Capital Goods	1,643	112	11	1,744
Communications	833	44	5	872
Consumer	2,717	149	14	2,852
Electric and Utility	1,625	141	10	1,756
Energy and Natural Gas	1,349	78	22	1,405
Financial	2,250	118	4	2,364
Other	252	9	2	259
Corporate	12,978	772	126	13,624
Mortgage-Backed	54	2	1	55
Foreign Bank Obligations	211	34	1	244
Other Asset-Backed	286	13	3	296
Mortgage and other asset-backed	551	49	5	595
<b>Total Fixed Maturities</b>	<b>\$ 17,466</b>	<b>\$ 1,420</b>	<b>\$ 139</b>	<b>\$ 18,747</b>

Sector	As of December 31, 2014			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 608	\$ 346	\$ -	\$ 954
State and Local Government	1,682	176	2	1,856
Foreign Government	1,824	121	5	1,940
Government	4,114	643	7	4,750
Basic Industry	2,110	179	19	2,270
Capital Goods	1,647	140	1	1,786
Communications	830	54	1	883
Consumer	2,662	203	3	2,862
Electric and Utility	1,835	174	2	2,007
Energy and Natural Gas	1,353	103	5	1,451
Financial	1,835	153	1	1,987
Other	245	8	1	252
Corporate	12,517	1,014	33	13,498
Mortgage-Backed	83	3	1	85
Foreign Bank Obligations	266	69	1	334
Other Asset-Backed	298	18	-	316
Mortgage and other asset-backed	647	90	2	735
<b>Total Fixed Maturities</b>	<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 September 30, 2015**

(Dollars in millions)

Geographic Region	Property Type							Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 127	\$ 56	\$ 12	\$ 60	\$ -	\$ -	\$ 255	12%	
Other <sup>(2)</sup>	-	-	1	-	16	-	17	1%	
<b>New England</b>	<b>127</b>	<b>56</b>	<b>13</b>	<b>60</b>	<b>16</b>	<b>-</b>	<b>272</b>	<b>13%</b>	
New York	150	55	-	-	-	-	205	10%	
New Jersey	41	-	56	-	-	-	97	5%	
<b>Middle Atlantic</b>	<b>191</b>	<b>55</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>302</b>	<b>15%</b>	
Virginia	134	-	-	52	-	-	186	9%	
North Carolina	-	45	30	-	-	-	75	4%	
Maryland	37	-	-	21	-	6	64	3%	
Other <sup>(2)</sup>	-	21	7	-	14	-	42	2%	
<b>South Atlantic</b>	<b>171</b>	<b>66</b>	<b>37</b>	<b>73</b>	<b>14</b>	<b>6</b>	<b>367</b>	<b>18%</b>	
Texas	33	19	2	-	-	-	54	3%	
Other <sup>(2)</sup>	47	5	87	-	19	-	158	8%	
<b>Central</b>	<b>80</b>	<b>24</b>	<b>89</b>	<b>-</b>	<b>19</b>	<b>-</b>	<b>212</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	197	90	130	117	148	22	704	35%	
Oregon	34	28	12	-	18	-	92	4%	
Other <sup>(2)</sup>	-	14	-	-	-	-	14	1%	
<b>Pacific</b>	<b>231</b>	<b>132</b>	<b>142</b>	<b>117</b>	<b>166</b>	<b>22</b>	<b>810</b>	<b>40%</b>	
<b>Totals</b>	<b>\$ 800</b>	<b>\$ 353</b>	<b>\$ 337</b>	<b>\$ 282</b>	<b>\$ 215</b>	<b>\$ 28</b>	<b>\$ 2,015</b>	<b>100%</b>	
% of Mortgage Loans	<b>40%</b>	<b>17%</b>	<b>17%</b>	<b>14%</b>	<b>11%</b>	<b>1%</b>	<b>100%</b>		

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$104 million and \$208 million as of September 30, 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-Q for the period ended September 30, 2015, expected to be filed on November 6, 2015.

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

**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of September 30, 2015**

(Dollars in millions)

	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other	Total	% of Mortgage Loans
<b>Loan to Value Ratio <sup>(1)</sup></b>	<b>53%</b>	<b>58%</b>	<b>55%</b>	<b>58%</b>	<b>59%</b>	<b>54%</b>	<b>55%</b>	
<b>Origination Years</b>								
Pre-2011	\$ 343	\$ 61	\$ 109	\$ 106	\$ 73	\$ 22	\$ 714	35%
2011	117	20	97	12	29	-	275	14%
2012	31	84	2	100	94	-	311	15%
2013	16	-	-	32	-	6	54	3%
2014	83	77	71	32	19	-	282	14%
2015	210	111	58	-	-	-	379	19%
<b>Totals</b>	<b>\$ 800</b>	<b>\$ 353</b>	<b>\$ 337</b>	<b>\$ 282</b>	<b>\$ 215</b>	<b>\$ 28</b>	<b>\$ 2,015</b>	<b>100%</b>

(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 2015. For more information, please refer to Cigna's Form 10-Q for the period ended September 30, 2015, expected to be filed on November 6, 2015.

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

(Dollars in millions)

Nine Months Ended September 30,  
2015                      2014

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$	1,659	\$	1,632
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:				
Depreciation and amortization		451		435
Realized investment gains		(104)		(130)
Deferred income taxes		44		12
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(1,051)		(574)
Reinsurance recoverables		61		49
Deferred policy acquisition costs		(145)		(138)
Other assets		(89)		(186)
Insurance liabilities		620		433
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>		219		(39)
Current income taxes		36		53
Loss on extinguishment of debt		100		-
Other, net		(82)		(75)
<b>Net cash provided by operating activities</b>		<u>1,719</u>		<u>1,472</u>
<b>Net cash (used in) investing activities</b>		(297)		(1,405)
<b>Net cash (used in) financing activities</b>		(425)		(1,224)
Effect of foreign currency rate changes on cash and cash equivalents		(36)		(17)
<b>Net increase (decrease) in cash and cash equivalents</b>		961		(1,174)
Cash and cash equivalents, beginning of year		1,420		2,795
Cash and cash equivalents, end of period	\$	2,381	\$	1,621

(1) Includes pre-tax domestic qualified pension plan contributions of \$5 million for the period ended September 30, 2015 and \$113 million for the period ended September 30, 2014.