

# **CIGNA Corporation**

## **Quarterly Statistical Supplement March 31, 2009**

*This document is dated April 30, 2009. The data contained in this document may not be accurate after such date and CIGNA does not undertake to update or keep it accurate after such date.*



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### **BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted. Certain reclassifications have been made to prior year amounts to conform with the 2009 presentation.*

*CIGNA measures the financial results of its segments using "segment earnings (loss)," which is defined as shareholders' income (loss) from continuing operations before net realized investment gains (losses). Adjusted income (loss) from operations is defined as segment earnings excluding special items, which are identified and quantified on page 1A, and results of CIGNA's guaranteed minimum income benefit 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 trend analysis. This measure is not determined in accordance with generally accepted accounting principles (GAAP) and should not be viewed as a substitute for shareholders' income (loss) from continuing operations or shareholders' net income determined in accordance with GAAP.*

*Effective January 1, 2009, CIGNA adopted Statement of Financial Accounting Standards (SFAS) No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51," by reclassifying its \$6 million noncontrolling interest as of January 1, 2009 and 2008 from accounts payable, accrued expenses and other liabilities to total equity. In addition, for the three months ended March 31, 2008, net income of \$1 million attributable to the amount of noncontrolling interest has been reclassified to be included in net income, and then deducted from net income to determine net income attributable to the shareholders ("shareholders' net income").*

*Effective January 1, 2009, CIGNA adopted Financial Accounting Standards Board Staff Position (FSP) EITF 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities". This FSP requires unvested restricted stock awards that contain rights to nonforfeitable dividends to be included in the denominator of both basic and diluted earnings per share calculations. Prior period earnings per share data reflect the adoption of the FSP. For the three months ended March 31, 2008, the change from previously reported EPS amounts was a \$.01 reduction in diluted EPS related to adjusted income from operations.*

*In the first quarter of 2009, discontinued operations included a gain of \$1 million after-tax related to past divestitures related to the completion of the 2005 and 2006 IRS examinations.*

*In the first quarter of 2008, discontinued operations included a gain of \$3 million after-tax primarily related to settlement of certain issues related to a past divestiture.*

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

(Dollars in millions, except per share amounts)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>ADJUSTED INCOME (LOSS) FROM OPERATIONS (1)</b>					
Health Care	\$ 154	\$ 138	12 %	\$ 209	(26) %
Disability and Life	58	68	(15)	64	(9)
International	41	52	(21)	44	(7)
Run-off Reinsurance	(49)	6	-	(179)	73
Other Operations	18	22	(18)	23	(22)
Corporate	(34)	(21)	(62)	(29)	(17)
Total	\$ 188	\$ 265	(29) %	\$ 132	42 %

**SHAREHOLDERS' NET INCOME (LOSS)**

Segment Earnings (Loss)

Health Care (3) (4) (5)	\$ 155	\$ 114	36 %	\$ 182	(15) %
Disability and Life (3) (4)	63	68	(7)	62	2
International (3) (4)	42	52	(19)	38	11
Run-off Reinsurance (2)	(26)	(189)	86	(394)	93
Other Operations (3)	19	22	(14)	23	(17)
Corporate (3)	(22)	(21)	(5)	(29)	24
Total	\$ 231	\$ 46	402	\$ (118)	-
Net realized investment gains (losses), net of taxes	(24)	9	-	(92)	74
Shareholders' income (loss) from continuing operations	\$ 207	\$ 55	276 %	\$ (210)	- %
Shareholders' income from discontinued operations	1	3	(67)	1	-
Shareholders' net income (loss)	\$ 208	\$ 58	259 %	\$ (209)	- %

**DILUTED EARNINGS PER SHARE**

Adjusted income from operations (1)	\$ 0.69	\$ 0.93	(26) %	\$ 0.48	44 %
Results of guaranteed minimum income benefits business, after-tax (2)	0.08	(0.69)	-	(0.79)	-
Net realized investment gains (losses), net of taxes	(0.09)	0.03	-	(0.34)	74
Special item(s), after-tax (3) (4) (5)	0.08	(0.08)	-	(0.12)	-
Shareholders' income (loss) from continuing operations	\$ 0.76	\$ 0.19	300 %	\$ (0.77)	- %
Shareholders' income from discontinued operations	-	0.01	-	-	-
Shareholders' net income (loss)	\$ 0.76	\$ 0.20	280 %	\$ (0.77)	- %
Weighted Average Shares (in thousands)	272,868	284,156	(4) %	272,567	- %

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

(2) The three months ended March 31, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts.

(3) The three months ended March 31, 2009 include a net tax benefit of \$20 million resulting from the completion of the 2005 and 2006 IRS examinations.  
- After-tax benefit of \$1 million in Health Care; after-tax benefit of \$5 million in Disability and Life; after-tax benefit of \$1 million in International; after-tax benefit of \$1 million in Other Operations; and after-tax benefit of \$12 million in Corporate.

(4) The three months ended December 31, 2008 include a pre-tax charge of \$55 million (\$35 million after-tax) related to the cost reduction program.  
- Pre-tax charge of \$44 million (\$27 million after-tax) in Health Care; pre-tax charge of \$3 million (\$2 million after-tax) in Disability and Life; and pre-tax charge of \$8 million (\$6 million after-tax) in International.

(5) The three months ended March 31, 2008 include a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care related to litigation matters.

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

(Dollars in millions, except per share amounts)

	Diluted Earnings Per Share (1)		Consolidated		Health Care		Disability & Life		International		Run-off Reinsurance		Other Operations		Corporate	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Three Months Ended March 31,</b>																
Adjusted income (loss) from operations (2)	\$ 0.69	\$ 0.93	\$ 188	\$ 265	\$ 154	\$ 138	\$ 58	\$ 68	\$ 41	\$ 52	\$ (49)	\$ 6	\$ 18	\$ 22	\$ (34)	\$ (21)
Results of guaranteed minimum income benefits business, after-tax:																
Charge on adoption of SFAS No. 157	-	(0.46)	-	(131)	-	-	-	-	-	-	-	(131)	-	-	-	-
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157	0.08	(0.23)	23	(64)	-	-	-	-	-	-	23	(64)	-	-	-	-
Total	0.08	(0.69)	23	(195)	-	-	-	-	-	-	23	(195)	-	-	-	-
Special item(s), after-tax:																
Completion of IRS examination (3)	0.08	-	20	-	1	-	5	-	1	-	-	-	1	-	12	-
Charge associated with litigation matters (4)	-	(0.08)	-	(24)	-	(24)	-	-	-	-	-	-	-	-	-	-
Segment earnings (loss) (2)	0.85	0.16	231	46	\$ 155	\$ 114	\$ 63	\$ 68	\$ 42	\$ 52	\$ (26)	\$ (189)	\$ 19	\$ 22	\$ (22)	\$ (21)
Net realized investment gains (losses), net of taxes	(0.09)	0.03	(24)	9												
Shareholders' income from continuing operations (5)	0.76	0.19	207	55												
Shareholders' income from discontinued operations	-	0.01	1	3												
Shareholders' net income (5)	\$ 0.76	\$ 0.20	\$ 208	\$ 58												

	Diluted Earnings Per Share (1) *		Consolidated		Health Care		Disability & Life		International		Run-off Reinsurance		Other Operations		Corporate	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
<b>Three Months Ended December 31, 2008</b>																
Adjusted income (loss) from operations (2)	\$ 0.48		\$ 132		\$ 209		\$ 64		\$ 44		\$ (179)		\$ 23		\$ (29)	
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157		(0.79)		(215)		-		-			(215)		-		-	
Special item(s), after-tax:																
Charge for cost reduction program (6)		(0.12)		(35)		(27)		(2)		(6)		-		-		-
Segment earnings (loss) (2)		(0.43)		(118)		\$ 182		\$ 62		\$ 38		\$ (394)		\$ 23		\$ (29)
Net realized investment gains (losses), net of taxes		(0.34)		(92)												
Shareholders' loss from continuing operations (5)		(0.77)		(210)												
Shareholders' income from discontinued operations		-		1												
Shareholders' net loss (5)	\$ (0.77)		\$ (209)													

(1) All earnings per share figures reflect the adoption of FSP EITF 03-06-1, which requires non-vested restricted stock grants with non-forfeitable dividend rights to be included in weighted average shares outstanding.

(2) CIGNA measures the financial results of its segments using "segment earnings (loss)," which is defined as shareholders' income (loss) from continuing operations before net realized investment gains (losses). Adjusted income (loss) from operations is defined as segment earnings excluding special items and results of CIGNA's guaranteed minimum income benefit business.

(3) The three months ended March 31, 2009 include a net tax benefit of \$20 million resulting from the completion of the 2005 and 2006 IRS examinations.

(4) The three months ended March 31, 2008 include a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care related to litigation matters.

(5) Shareholders' income (loss) from continuing operations and shareholders' net income (loss) are presented in accordance with generally accepted accounting principles (GAAP). Effective January 1, 2009, CIGNA adopted SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements" which requires income attributable to noncontrolling interests to be included in net income, but then subtracted to determine "shareholders' net income."

(6) The three months ended December 31, 2008 include a pre-tax charge of \$55 million (\$35 million after-tax) related to the cost reduction program.

\* Because of the shareholders' loss from continuing operations for the three months ended December 31, 2008 (including the special items above), the number of shares used to compute EPS does not reflect the dilution caused by common stock equivalents (i.e., stock options). Such common stock equivalents are excluded from the computation for the fourth quarter of 2008 but their effect did not result in a change to CIGNA's reported loss per share.

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,		
	2009	2008	Change	2008	Change	
<b>Revenues:</b>						
Premiums and fees	\$ 4,051	\$ 3,851	5 %	\$ 4,056	-	%
Net investment income	229	265	(14)	261	(12)	
Mail order pharmacy revenues (1)	312	296	5	322	(3)	
Other revenues (2)	217	143	52	320	(32)	
Net realized investment gains (losses)	(36)	14	-	(142)	75	
<b>Total revenues</b>	<b>4,773</b>	<b>4,569</b>	<b>4</b>	<b>4,817</b>	<b>(1)</b>	
<b>Benefits and Expenses:</b>						
Health Care medical claims expense	1,780	1,744	2	1,772	-	
Other benefit expenses	1,108	928	19	1,408	(21)	
Mail order pharmacy cost of goods sold	252	239	5	257	(2)	
Policy acquisition expenses	121	121	-	132	(8)	
Guaranteed minimum income benefits (income) expense (3)	(32)	304	-	337	-	
Other operating expenses excluding special items	1,262	1,122	12	1,194	6	
Special item(s) (4)	9	37	(76)	55	(84)	
<b>Total benefits and expenses</b>	<b>4,500</b>	<b>4,495</b>	<b>-</b>	<b>5,155</b>	<b>(13)</b>	
Income (loss) from continuing operations before income taxes (benefits)	273	74	269	(338)	-	
Income taxes (benefits): (5)						
Current	(85)	77	-	39	-	
Deferred	150	(59)	-	(167)	-	
<b>Total taxes</b>	<b>65</b>	<b>18</b>	<b>261</b>	<b>(128)</b>	<b>-</b>	
Income (loss) from continuing operations	208	56	271	(210)	-	
Income from discontinued operations	1	3	(67)	1	-	
<b>Net income (loss)</b>	<b>\$ 209</b>	<b>\$ 59</b>	<b>254</b>	<b>\$ (209)</b>	<b>-</b>	
<b>Less: net income (loss) attributable to noncontrolling interest</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Shareholders' net income (loss)</b>	<b>\$ 208</b>	<b>\$ 58</b>	<b>259 %</b>	<b>\$ (209)</b>	<b>- %</b>	

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

(2) Includes a pre-tax gain of \$117 million for the first quarter of 2009, \$42 million for the first quarter of 2008, and \$215 million for the fourth quarter of 2008 from futures contracts entered into as part of a dynamic hedge program to manage equity risks in CIGNA's run-off reinsurance operations. CIGNA recorded corresponding offsets in benefits and expenses to adjust liabilities for reinsured guaranteed minimum death benefit contracts. For more information, please refer to CIGNA's Form 10-Q for the period ended March 31, 2009.

(3) The three months ended March 31, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts.

(4) The three months ended March 31, 2009 include a pre-tax charge of \$9 million in conjunction with the completion of the 2005 and 2006 IRS examinations. See Note 5 below for more information.

The three months ended March 31, 2008 include a pre-tax charge of \$37 million (\$24 million after-tax) in Health Care related to litigation matters.

The three months ended December 31, 2008 include a pre-tax charge of \$55 million (\$35 million after-tax) related to the cost reduction program.

(5) The three months ended March 31, 2009 include a tax benefit of \$29 million resulting from the completion of the 2005 and 2006 IRS examinations. These tax benefits are partially offset by the pre-tax charge of \$9 million discussed in (4) above, resulting in a net after-tax benefit of \$20 million. This amount is being treated as a special item.

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

(Dollars in millions)

	As of March 31, 2009 (Unaudited)	As of December 31, 2008		As of March 31, 2009 (Unaudited)	As of December 31, 2008
<b>Assets</b>			<b>Liabilities</b>		
Investments:			Contractholder deposit funds	\$ 8,543	\$ 8,539
Fixed maturities, at fair value (1)			Future policy benefits	8,513	8,754
(amortized cost, \$11,662 and \$11,492)	\$ 11,741	\$ 11,781	Unpaid claims and claim expenses	4,089	4,037
Equity securities, at fair value			Health Care medical claims payable	981	924
(cost, \$139 and \$140)	89	112	Unearned premiums and fees	419	414
Commercial mortgage loans (2)	3,618	3,617	Total insurance and contractholder liabilities	<u>22,545</u>	<u>22,668</u>
Policy loans	1,538	1,556	Accounts payable, accrued expenses and		
Real estate	59	53	other liabilities (3)	6,291	6,869
Other long-term investments	621	632	Short-term debt	377	301
Short-term investments	<u>103</u>	<u>236</u>	Long-term debt	2,086	2,090
Total investments	17,769	17,987	Nonrecourse obligations	21	16
Cash and cash equivalents	1,375	1,342	Separate account liabilities	<u>6,076</u>	<u>5,864</u>
Accrued investment income	264	225	Total liabilities	<u>37,396</u>	<u>37,808</u>
Premiums, accounts and notes receivable	1,530	1,407	<b>Shareholders' Equity</b>		
Reinsurance recoverables	6,878	6,973	Common stock	88	88
Deferred policy acquisition costs	790	789	Additional paid-in capital	2,505	2,502
Property and equipment	804	804	Net unrealized depreciation - fixed maturities	\$ (94)	\$ (147)
Deferred income taxes, net	1,446	1,617	Net unrealized appreciation - equity securities	5	7
Goodwill	2,876	2,878	Net unrealized depreciation - derivatives	(2)	(13)
Other assets, including other intangibles	1,426	1,520	Net translation of foreign currencies	(88)	(60)
Separate account assets	6,076	5,864	Postretirement benefits liability adjustment	<u>(857)</u>	<u>(861)</u>
			Accumulated other comprehensive income (loss)	(1,036)	(1,074)
			Retained earnings	7,536	7,374
			Less treasury stock, at cost	<u>(5,262)</u>	<u>(5,298)</u>
			Total shareholders' equity	3,831	3,592
			Noncontrolling interest (3)	<u>7</u>	<u>6</u>
			Total equity	3,838	3,598
Total assets	\$ 41,234	\$ 41,406	Total liabilities and equity	\$ 41,234	\$ 41,406

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

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

(3) Refer to Basis of Presentation for more information associated with CIGNA's adoption of SFAS No. 160 effective January 1, 2009.

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

(Dollars in millions)

Sector	As of March 31, 2009				As of December 31, 2008			
	Public	Private	Total (1)		Public	Private	Total (1)	
United States Government	\$ 659	\$ -	\$ 659	6%	\$ 762	\$ -	\$ 762	7%
States and Local Government	2,534	7	2,541	22%	2,479	7	2,486	21%
Foreign Government	838	52	890	7%	890	54	944	8%
Government	4,031	59	4,090	35%	4,131	61	4,192	36%
Basic Industry	463	750	1,213	11%	414	766	1,180	10%
Capital Goods	281	613	894	8%	277	582	859	7%
Communications	373	121	494	4%	355	123	478	4%
Consumer	591	822	1,413	12%	552	783	1,335	11%
Electric and Utility	269	576	845	7%	256	558	814	7%
Energy and Natural Gas	326	638	964	8%	273	609	882	8%
Financial	790	293	1,083	9%	896	302	1,198	10%
Other	95	7	102	1%	103	7	110	1%
Corporate	3,188	3,820	7,008	60%	3,126	3,730	6,856	58%
Collateralized Debt Obligations	18	-	18	0%	19	-	19	0%
Credit Card	2	-	2	0%	10	-	10	0%
Home Equity	2	-	2	0%	2	-	2	0%
Foreign Bank Obligations	-	410	410	4%	-	489	489	5%
Other	-	48	48	0%	-	51	51	0%
Asset-Backed Securities	22	458	480	4%	31	540	571	5%
Commercial Mortgage-Backed Securities	123	-	123	1%	123	-	123	1%
Collateralized Mortgage Obligations	38	2	40	0%	38	1	39	0%
<b>Total Fixed Maturities (2)</b>	<b>\$ 7,402</b>	<b>\$ 4,339</b>	<b>\$ 11,741</b>	<b>100%</b>	<b>\$ 7,449</b>	<b>\$ 4,332</b>	<b>\$ 11,781</b>	<b>100%</b>
% of Fixed Maturities	63%	37%	100%		63%	37%	100%	

(1) 91% and 92% of fixed maturities were investment grade as of March 31, 2009 and December 31, 2008 respectively. The remaining 9% and 8% of below investment grade holdings are invested mainly in corporate debt, split relatively evenly between public and private placements.

(2) Amortized cost, net of asset write downs for problem and potential problem bonds, were \$197 million and \$161 million as of March 31, 2009 and December 31, 2008 respectively. For more information, please refer to CIGNA's Form 10-Q for the period ended March 31, 2009.

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

(Dollars in millions)

Sector	As of March 31, 2009				As of December 31, 2008			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government States and Local Government	\$ 369	\$ 290	\$ -	\$ 659	\$ 359	\$ 403	\$ -	\$ 762
Foreign Government	2,400	158	17	2,541	2,391	117	22	2,486
Government	853	46	9	890	882	70	8	944
	3,622	494	26	4,090	3,632	590	30	4,192
Basic Industry	1,271	29	87	1,213	1,237	26	83	1,180
Capital Goods	985	20	111	894	958	18	117	859
Communications	506	15	27	494	494	7	23	478
Consumer	1,458	43	88	1,413	1,397	32	94	1,335
Electric and Utility	848	27	30	845	817	28	31	814
Energy and Natural Gas	990	25	51	964	904	21	43	882
Financial	1,254	18	189	1,083	1,310	24	136	1,198
Other	98	6	2	102	101	11	2	110
Corporate	7,410	183	585	7,008	7,218	167	529	6,856
Collateralized Debt Obligations	22	-	4	18	22	-	3	19
Credit Card	2	-	-	2	10	-	-	10
Home Equity	2	-	-	2	2	-	-	2
Foreign Bank Obligations	368	48	6	410	365	128	4	489
Other	54	-	6	48	57	-	6	51
Asset-Backed Securities	448	48	16	480	456	128	13	571
Commercial Mortgage-Backed Securities	144	1	22	123	148	-	25	123
Collateralized Mortgage Obligations	38	2	-	40	38	1	-	39
<b>Total Fixed Maturities</b>	<b>\$ 11,662</b>	<b>\$ 728</b>	<b>\$ 649</b>	<b>\$ 11,741</b>	<b>\$ 11,492</b>	<b>\$ 886</b>	<b>\$ 597</b>	<b>\$ 11,781</b>



**CIGNA Corporation**  
**Summary of Commercial Mortgage Loan Distribution (unaudited)**  
**As of March 31, 2009**

(Dollars in millions)

Geographic Region	Property Type							Total (1)	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	254	176	12	18	16	-	476	13%	
Connecticut	-	25	8	-	20	-	53	1%	
<b>New England</b>	<b>\$ 254</b>	<b>\$ 201</b>	<b>\$ 20</b>	<b>\$ 18</b>	<b>\$ 36</b>	<b>\$ -</b>	<b>\$ 529</b>	<b>14%</b>	
New York	156	-	-	82	-	20	258	7%	
Other (3)	44	52	-	39	-	-	135	4%	
<b>Middle Atlantic</b>	<b>200</b>	<b>52</b>	<b>-</b>	<b>121</b>	<b>-</b>	<b>20</b>	<b>393</b>	<b>11%</b>	
Florida	13	35	132	9	65	-	254	7%	
Georgia	11	74	81	30	16	-	212	6%	
South Carolina	-	12	136	-	-	-	148	4%	
Virginia	-	30	-	75	22	-	127	4%	
Other (3)	20	18	-	-	-	-	38	1%	
<b>South Atlantic</b>	<b>44</b>	<b>169</b>	<b>349</b>	<b>114</b>	<b>103</b>	<b>-</b>	<b>779</b>	<b>22%</b>	
Texas	66	90	-	-	48	-	204	6%	
Tennessee	-	11	1	49	35	-	96	2%	
Other (3)	128	17	45	-	20	-	210	6%	
<b>Central</b>	<b>194</b>	<b>118</b>	<b>46</b>	<b>49</b>	<b>103</b>	<b>-</b>	<b>510</b>	<b>14%</b>	
Colorado	73	149	26	44	-	-	292	8%	
Other (3)	34	-	2	4	-	-	40	1%	
<b>Mountain</b>	<b>107</b>	<b>149</b>	<b>28</b>	<b>48</b>	<b>-</b>	<b>-</b>	<b>332</b>	<b>9%</b>	
California	303	232	15	153	126	24	853	24%	
Washington	15	65	8	-	71	-	159	4%	
Oregon	-	-	48	15	-	-	63	2%	
<b>Pacific</b>	<b>318</b>	<b>297</b>	<b>71</b>	<b>168</b>	<b>197</b>	<b>24</b>	<b>1,075</b>	<b>30%</b>	
<b>Totals</b>	<b>\$ 1,117</b>	<b>\$ 986</b>	<b>\$ 514</b>	<b>\$ 518</b>	<b>\$ 439</b>	<b>\$ 44</b>	<b>\$ 3,618</b>	<b>100%</b>	
% of Mortgage Loans	31%	27%	14%	15%	12%	1%	100%		

Loan to Value % (2)	Property Type							Total (1)	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
	63%	70%	69%	58%	60%	59%	65%		
<b>Origination Years</b>									
Pre-2005	\$ 280	\$ 248	\$ 149	\$ 51	\$ 225	\$ -	\$ 953	27%	
2005	205	179	119	169	63	-	735	20%	
2006	273	415	173	98	83	44	1,086	30%	
2007	212	114	-	25	20	-	371	10%	
2008	147	30	73	175	48	-	473	13%	
2009	-	-	-	-	-	-	-	0%	
<b>Totals</b>	<b>\$ 1,117</b>	<b>\$ 986</b>	<b>\$ 514</b>	<b>\$ 518</b>	<b>\$ 439</b>	<b>\$ 44</b>	<b>\$ 3,618</b>	<b>100%</b>	

Loan to Value Distribution (2)		
Loan to Value Ratios	Amortized Cost	% of Mortgage Loans
Below 50%	\$ 713	20%
50% to 59%	414	12%
60% to 69%	1,089	30%
70% to 79%	1,016	28%
80% to 89%	269	7%
90% to 99%	117	3%
100% or above	-	0%
<b>Totals</b>	<b>\$ 3,618</b>	<b>100%</b>

(1) Problem and potential problem commercial mortgage loan amortized cost, net of valuation reserves, was \$148 million and \$92 million respectively as of March 31, 2009 and December 31, 2008. For more information, please refer to the Investment Assets section in the Management's Discussion and Analysis section of CIGNA's Form 10-Q for the period ended March 31, 2009.

(2) Valuations are internal estimates based on the most recent full year audited financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are determined as part of an annual review process which was completed during the third quarter 2008. Economic conditions have deteriorated since the completion of the most recent review which would likely have an adverse impact on the value of the collateral supporting these mortgages. For more information, please refer to CIGNA's Form 10-Q for the period ended March 31, 2009.

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

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

<i>(In millions, except per share data)</i>		Three Months Ended March 31,		Year Ended December 31,
		2009	2008	2008
Price range of common stock:	High	\$ 23.06	\$ 56.98	\$ 56.98
	Low	\$ 12.68	\$ 36.75	\$ 8.00
Market price (as of end of period)		\$ 17.59	\$ 40.57	\$ 16.85
Dividends declared per share		\$ 0.04	\$ 0.04	\$ 0.04
Common dividends declared		\$ 11	\$ 11	\$ 11
		As of March 31,		As of December 31,
		2009	2008	2008
Common shares outstanding (in thousands)		272,776	280,815	271,036
Book value per share		\$ 14.04	\$ 17.14	\$ 13.25

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

*(Dollars in millions)*

	Three Months Ended March 31,	
	2009	2008
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 209	\$ 59
Adjustments to reconcile net income to net cash provided by operating activities:		
(Income) from discontinued operations	(1)	(3)
(Income) attributable to noncontrolling interest	(1)	(1)
Insurance liabilities	273	126
Reinsurance recoverables	(11)	17
Deferred policy acquisition costs	(28)	(43)
Premiums, accounts and notes receivable	(124)	(72)
Other assets	78	(341)
Accounts payable, accrued expenses and other liabilities	(464)	596
Current income taxes	(90)	64
Deferred income taxes	150	(59)
Realized investment (gains) losses	36	(14)
Depreciation and amortization	69	53
Gains on sales of businesses (excluding discontinued operations)	(8)	(9)
Other, net	(16)	(21)
Net cash provided by operating activities	<u>72</u>	<u>352</u>
Net cash (used in) investing activities	(166)	(163)
Net cash provided by financing activities	137	690
Effect of foreign currency rate changes on cash and cash equivalents	(10)	1
Net increase in cash and cash equivalents	33	880
Cash and cash equivalents, beginning of period	1,342	1,970
Cash and cash equivalents, end of period	<u>\$ 1,375</u>	<u>\$ 2,850</u>

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>Revenues:</b>					
Premiums and fees	\$ 2,911	\$ 2,704	8 %	\$ 2,905	- %
Net investment income	34	47	(28)	46	(26)
Mail order pharmacy revenues	312	296	5	322	(3)
Other revenues	66	64	3	68	(3)
Segment revenues	<u>3,323</u>	<u>3,111</u>	7	<u>3,341</u>	(1)
<b>Benefits and Expenses:</b>					
Health Care medical claims expense	1,780	1,744	2	1,772	-
Other benefit expenses	48	49	(2)	42	14
Mail order pharmacy cost of goods sold	252	239	5	257	(2)
Policy acquisition expenses	38	33	15	38	-
Other operating expenses excluding special items	967	833	16	914	6
Special items *	-	37	-	44	-
Benefits and expenses	<u>3,085</u>	<u>2,935</u>	5	<u>3,067</u>	1
Income before income taxes	238	176	35	274	(13)
Income taxes (1)	83	62	34	92	(10)
<b>Segment earnings, after-tax</b>	155	114	36	182	(15)
Less: Special items, after-tax * (1)	1	(24)	-	(27)	-
<b>Adjusted income from operations</b>	\$ 154	\$ 138	12 %	\$ 209	(26) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (5)	\$ 9	- %	\$ (36)	86 %

\* Consists of the following special items noted on page 1A:

- Pre-tax charge of \$37 million (\$24 million after-tax) for the three months ended March 31, 2008 related to litigation matters.
- Pre-tax charge of \$44 million (\$27 million after-tax) for the three months ended December 31, 2008 related to the cost reduction program.

(1) Includes a \$1 million tax benefit for the three months ended March 31, 2009 resulting from the completion of the 2005 and 2006 IRS examinations.

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
Premiums:					
Medical:					
Guaranteed cost excluding voluntary / limited benefits (1)	\$ 797	\$ 890	(10)	\$ 858	(7)
Voluntary / Limited Benefits	60	50	20	49	22
Experience-rated (2)	432	493	(12)	454	(5)
Stop loss	333	160	108	338	(1)
Dental	186	199	(7)	196	(5)
Medicare	138	95	45	100	38
Medicare Part D	91	103	(12)	50	82
Other	131	129	2	134	(2)
Total medical	2,168	2,119	2	2,179	(1)
Life and other non-medical	50	36	39	45	11
Total Premiums	2,218	2,155	3	2,224	-
Fees (3)	693	549	26	681	2
Mail order pharmacy revenues (4)	312	296	5	322	(3)
Other revenues (5)	66	64	3	68	(3)
Net investment income	34	47	(28)	46	(26)
<b>Segment revenues</b>	<b>\$ 3,323</b>	<b>\$ 3,111</b>	<b>7 %</b>	<b>\$ 3,341</b>	<b>(1) %</b>

(1) Includes guaranteed cost premiums primarily associated with open access and commercial HMO, as well as other risk-related products.

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

(3) Fees represent administrative service fees for medical members and related specialty products and also include fees related to Medicare Part D of \$26 million for the first quarter of 2009, \$24 million for the first quarter of 2008, and \$24 million for the fourth quarter of 2008.

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

(5) Includes amounts relating to Medicare Claim Administration of \$22 million for the first quarter of 2009, \$22 million for the first quarter of 2008, and \$26 million for the fourth quarter of 2008. Net of this item, Other revenues primarily reflect non-risk revenues for direct channel specialty products.

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>OTHER OPERATING EXPENSES EXCLUDING SPECIAL ITEMS:</b>					
Pharmacy expenses (1)	\$ 44	\$ 48	(8) %	\$ 44	- %
Medicare Part D expenses	13	14	(7)	16	(19)
Disease management expenses	46	44	5	42	10
Transformation amortization expenses	19	22	(14)	19	-
Voluntary / limited benefits expenses (2)	17	16	6	16	6
Medicare claim administration	20	22	(9)	25	(20)
Great-West Integration (3)	12	6	100	16	(25)
Other operating expenses	796	661	20	736	8
<b>Other operating expenses excluding special items</b>	<b>\$ 967</b>	<b>\$ 833</b>	<b>16 %</b>	<b>\$ 914</b>	<b>6 %</b>

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

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

(3) Acquisition of Great-West Healthcare effective April 1, 2008.

<b>RATIOS:</b>	Three Months Ended March 31,			Year Ended December 31,	
	2009	2008	Change Better (Worse)	2008	Change Better (Worse)
Guaranteed Cost loss ratio (excluding voluntary / limited benefits) (4)	82.8 %	83.8 %	1.0	84.8 %	2.0
Guaranteed Cost loss ratio (including voluntary / limited benefits) (4)	81.7 %	82.4 %	0.7	83.4 %	1.7
Medicare Part D loss ratio (excluding fees)	126.3 %	114.6 %	(11.7)	106.0 %	(20.3)

(4) The Guaranteed Cost loss ratio excludes the stop loss products associated with experience-rated and service members.

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

<b>ESTIMATED COVERED LIVES:</b> <i>(Lives in thousands)</i>	As of March 31,			As of December 31,	
	2009	2008	Change	2008	Change
<b>Medical membership :</b>					
Guaranteed cost excluding voluntary / limited benefits (1)	790	945	(16) %	891	(11) %
Voluntary / Limited Benefits	231	205	13	201	15
Medicare	47	33	42	35	34
Total guaranteed cost	1,068	1,183	(10)	1,127	(5)
Experience-rated (2)	804	912	(12)	864	(7)
Service (3)	9,497	8,279	15	9,688	(2)
<b>Total medical membership</b>	<b>11,369</b>	<b>10,374</b>	<b>10 %</b>	<b>11,679</b>	<b>(3) %</b>
<b>Non-medical membership :</b>					
Medicare Part D (4)	307	333	(8) %	326	(6) %
Dental (5)	10,244	10,906	(6) %	10,615	(3) %
Behavioral care (5)	18,169	18,507	(2) %	18,316	(1) %
Pharmacy (5)	6,049	6,432	(6) %	6,203	(2) %

(1) Includes guaranteed cost members primarily associated with open access and commercial HMO, as well as other risk-related products.

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

(3) Includes Great-West Healthcare members.

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

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

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>Revenues:</b>					
Premiums and fees:					
Life	\$ 334	\$ 308	8 %	\$ 338	(1) %
Disability	268	247	9	255	5
Other	70	76	(8)	73	(4)
Total premiums and fees	<u>672</u>	<u>631</u>	6	<u>666</u>	1
Net investment income	57	64	(11)	63	(10)
Other revenues	<u>29</u>	<u>30</u>	(3)	<u>27</u>	7
Segment revenues	<u>758</u>	<u>725</u>	5	<u>756</u>	-
<b>Benefits and Expenses:</b>					
Benefit expenses	512	473	8	511	-
Policy acquisition expenses	2	2	-	2	-
Other operating expenses excluding the special item	164	154	6	153	7
Special item (2)	<u>-</u>	<u>-</u>	-	<u>3</u>	-
Benefits and expenses	<u>678</u>	<u>629</u>	8	<u>669</u>	1
Income before income taxes	80	96	(17)	87	(8)
Income taxes (1)	17	28	(39)	25	(32)
<b>Segment earnings, after-tax</b>	63	68	(7)	62	2
Less: Special items, after-tax (1) (2)	5	-	-	(2)	-
<b>Adjusted income from operations</b>	\$ 58	\$ 68	(15) %	\$ 64	(9) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (10)	\$ (2)	(400) %	\$ (25)	60 %

(1) Includes a \$5 million tax benefit for the three months ended March 31, 2009 resulting from the completion of the 2005 and 2006 IRS examinations.

(2) Includes a pre-tax charge of \$3 million (\$2 million after-tax) for the three months ended December 31, 2008 related to the cost reduction program.



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

*(Dollars in millions)*

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>Revenues:</b>					
Premiums and fees	\$ 434	\$ 472	(8) %	\$ 448	(3) %
Net investment income	16	20	(20)	17	(6)
Other revenues	5	3	67	6	(17)
Segment revenues	<u>455</u>	<u>495</u>	(8)	<u>471</u>	(3)
<b>Benefits and Expenses:</b>					
Benefit expenses	242	250	(3)	238	2
Policy acquisition expenses	79	84	(6)	90	(12)
Other operating expenses excluding the special item	69	80	(14)	74	(7)
Special item (2)	-	-	-	8	-
Benefits and expenses	<u>390</u>	<u>414</u>	(6)	<u>410</u>	(5)
Income before income taxes	65	81	(20)	61	7
Income taxes (1)	22	28	(21)	23	(4)
Income (loss) attributable to noncontrolling interest	1	1	-	-	-
<b>Segment earnings, after-tax</b>	42	52	(19)	38	11
Less: Special items, after-tax (1) (2)	1	-	-	(6)	-
<b>Adjusted income from operations</b>	\$ 41	\$ 52	(21) %	\$ 44	(7) %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (2)	\$ -	- %	\$ (1)	(100) %

(1) Includes a \$1 million tax benefit for the three months ended March 31, 2009 resulting from the completion of the 2005 and 2006 IRS examinations.

(2) Includes a pre-tax charge of \$8 million (\$6 million after-tax) for the three months ended December 31, 2008 related to the cost reduction program.

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

*(Dollars in millions)*

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>Revenues:</b>					
Premiums and fees	\$ 6	\$ 16	(63) %	\$ 8	(25) %
Net investment income	24	22	9	34	(29)
Other revenues (1)	<u>115</u>	<u>41</u>	180	<u>214</u>	(46)
Segment revenues	<u>145</u>	<u>79</u>	84	<u>256</u>	(43)
<b>Benefits and Expenses:</b>					
Benefit expenses	210	61	244	520	(60)
Guaranteed minimum income benefits (income) expense (2)	(32)	304	-	337	-
Other operating expenses	<u>7</u>	<u>10</u>	(30)	<u>4</u>	75
Benefits and expenses	<u>185</u>	<u>375</u>	(51)	<u>861</u>	(79)
Income (loss) before income tax benefits	(40)	(296)	86	(605)	93
Income tax benefits	<u>(14)</u>	<u>(107)</u>	87	<u>(211)</u>	93
<b>Segment income (loss), after-tax</b>	(26)	(189)	86	(394)	93
Results of guaranteed minimum income benefits business, after-tax:					
Charge on adoption of SFAS No. 157	-	(131)	-	-	-
Results of guaranteed minimum income benefits business, excluding charge on adoption of SFAS No. 157 (3)	<u>23</u>	<u>(64)</u>	-	<u>(215)</u>	-
Total	<u>23</u>	<u>(195)</u>	-	<u>(215)</u>	-
<b>Adjusted income (loss) from operations</b>	\$ (49)	\$ 6	- %	\$ (179)	73 %
<b>Net realized investment gains (losses), net of taxes</b>	\$ (3)	\$ 2	- %	\$ (14)	79 %

(1) Includes a pre-tax gain of \$117 million for the first quarter of 2009, \$42 million for the first quarter of 2008, and \$215 million for the fourth quarter of 2008 from futures contracts entered into as part of a dynamic hedge program to manage equity risks in CIGNA's run-off reinsurance operations. CIGNA recorded corresponding offsets in benefits and expenses to adjust liabilities for reinsured guaranteed minimum death benefit contracts. For more information, please refer to CIGNA's Form 10-Q for the period ended March 31, 2009.

(2) The three months ended March 31, 2008 include a pre-tax charge of \$202 million (\$131 million after-tax) on the adoption of SFAS No. 157 for guaranteed minimum income benefit contracts.

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

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,	
	2009	2008	Change	2008	Change
<b>Revenues:</b>					
Premiums and fees	\$ 28	\$ 28	- %	\$ 29	(3) %
Net investment income	98	104	(6)	101	(3)
Other revenues	16	18	(11)	17	(6)
Segment revenues	142	150	(5)	147	(3)
<b>Benefits and Expenses:</b>					
Benefit expenses	100	99	1	101	(1)
Policy acquisition expenses	2	2	-	2	-
Other operating expenses excluding the special item	15	16	(6)	11	36
Special item (1)	9	-	-	-	-
Benefits and expenses	126	117	8	114	11
Income before income taxes	16	33	(52)	33	(52)
Income taxes (2)	(3)	11	-	10	-
<b>Segment earnings, after-tax</b>	19	22	(14)	23	(17)
Less: Special item, after-tax (2)	1	-	-	-	-
<b>Adjusted income from operations</b>	\$ 18	\$ 22	(18) %	\$ 23	(22) %
<b>Net realized investment losses, net of taxes</b>	\$ (4)	\$ -	- %	\$ (16)	75 %

(1) Reflects a \$9 million charge for the three months ended March 31, 2009 in conjunction with completion of the 2005 and 2006 IRS examination. See Note 2 below for more information.

(2) Includes a tax benefit of \$10 million for the three months ended March 31, 2009 resulting from completion of the 2005 and 2006 IRS examinations. This tax benefit is substantially offset by the pre-tax charge of \$9 million discussed in (1) above, resulting in a net after-tax benefit of \$1 million. This amount is being treated as a special item.

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

(Dollars in millions)

	Three Months Ended March 31,			Three Months Ended December 31,		
	2009	2008	Change	2008	Change	
<b>Revenues:</b>						
Net investment income	\$ -	\$ 8	- %	\$ -	- %	
Other revenues (1)	(14)	(13)	(8)	(12)	(17)	
Segment revenues	(14)	(5)	(180)	(12)	(17)	
<b>Benefits and Expenses:</b>						
Benefit expenses (1)	(4)	(4)	-	(4)	-	
Other operating expenses	40	29	38	38	5	
Benefits and expenses	36	25	44	34	6	
Loss before income tax benefits	(50)	(30)	(67)	(46)	(9)	
Income tax benefits (2)	(28)	(9)	(211)	(17)	(65)	
<b>Loss, after-tax</b>	(22)	(21)	(5)	(29)	24	
Less: Special item, after-tax (2)	12	-	-	-	-	
<b>Adjusted loss from operations</b>	\$ (34)	\$ (21)	(62) %	\$ (29)	(17) %	
<b>Net realized investment gains (losses), net of taxes</b>	\$ -	\$ -	- %	\$ -	- %	

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

(2) Includes a \$12 million tax benefit for the three months ended March 31, 2009 resulting from the completion of the 2005 and 2006 IRS examinations