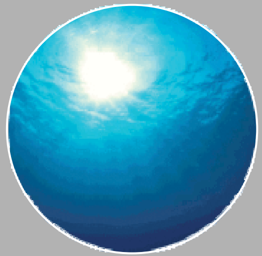

Go Deep.

Go Global.

Go Individual.

# Cigna's Fourth Quarter 2011 Earnings Call

## 2011 Results & Outlook

# Forward Looking Statements

**CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995**

Cigna Corporation and its subsidiaries (the "Company") and its representatives may from time to time make written and oral forward-looking statements, including statements contained in press releases, in the Company's filings with the Securities and Exchange Commission, in its reports to shareholders and in meetings with analysts and investors. Forward-looking statements may contain information about financial prospects, economic conditions, trends and other uncertainties. These forward-looking statements are based on management's beliefs and assumptions and on information available to management at the time the statements are or were made. Forward-looking statements include, but are not limited to, the information concerning possible or assumed future business strategies, financing plans, competitive position, potential growth opportunities, potential operating performance improvements, trends and, in particular, the Company's strategic initiatives, litigation and other legal matters, the outlook for the Company's results and the pending acquisition of HealthSpring. Forward-looking statements include all statements that are not historical facts and can be identified by the use of forward-looking terminology such as the words ''believe'', ''expect'', ''plan'', ''intend'', ''anticipate'', ''estimate'', ''predict'', ''potential'', ''may'', ''should'' or similar expressions.

By their nature, forward-looking statements: (i) speak only as of the date they are made, (ii) are not guarantees of future performance or results and (iii) are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Therefore, actual results could differ materially and adversely from those forward-looking statements as a result of a variety of factors. Some factors that could cause actual results to differ materially from the forward-looking statements include: 1. increased medical costs that are higher than anticipated in establishing premium rates in the Company's Health Care operations, including increased use and costs of medical services; 2. increased medical, administrative, technology or other costs resulting from new legislative and regulatory requirements imposed on the Company's businesses; 3. challenges and risks associated with implementing operational improvement initiatives and strategic actions in the ongoing operations of the businesses, including those related to: (i) growth in targeted geographies, product lines, buying segments and distribution channels, (ii) offering products that meet emerging market needs, (iii) strengthening underwriting and pricing effectiveness, (iv) strengthening medical cost and medical membership results, (v) delivering quality service to members and health care professionals using effective technology solutions, and (vi) lowering administrative costs; 4. the ability to successfully complete the integration of acquired businesses, including the businesses acquired from HealthSpring by, among other things, operating Medicare Advantage coordinated care plans and HealthSpring's prescription drug plan, retaining and growing membership, realizing revenue, expense and other synergies, renewing contracts on competitive terms, successfully leveraging the information technology platform of the acquired businesses, and retaining key personnel; 5. the ability of the Company to execute its growth plans by successfully leveraging its capabilities and those of the businesses acquired in serving the Seniors segment; 6. the possibility that the acquired HealthSpring business may be adversely affected by economic, business and/or competitive factors; 7. risks associated with pending and potential state and federal class action lawsuits, disputes regarding reinsurance arrangements, other litigation and regulatory actions challenging the Company's businesses, including disputes related to payments to health care professionals, government investigations and proceedings, and tax audits and related litigation; 8. heightened competition, particularly price competition, which could reduce product margins and constrain growth in the Company's businesses, primarily the Health Care business; 9. risks associated with the Company's mail order pharmacy business which, among other things, includes any potential operational deficiencies or service issues as well as loss or suspension of state pharmacy licenses; 10. significant changes in interest rates or sustained deterioration in the commercial real estate markets; 11. downgrades in the financial strength ratings of the Company's insurance subsidiaries, which could, among other things, adversely affect new sales and retention of current business; downgrades in financial strength ratings of reinsurers, which could result in increased statutory reserve or capital requirements of the Company's insurance subsidiaries; 12. limitations on the ability of the Company's insurance subsidiaries to dividend capital to the parent company as a result of downgrades in the subsidiaries' financial strength ratings, changes in statutory reserve or capital requirements or other financial constraints; 13. inability of the hedge programs adopted by the Company to substantially reduce equity market and interest rate risks in the run-off reinsurance operations; 14. adjustments to the reserve assumptions (including lapse, partial surrender, mortality, interest rates and volatility) used in estimating the Company's liabilities for reinsurance contracts covering guaranteed minimum death benefits under certain variable annuities; 15. adjustments to the assumptions (including annuity election rates and amounts collectible from reinsurers) used in estimating the Company's assets and liabilities for reinsurance contracts covering guaranteed minimum income benefits under certain variable annuities; 16. significant stock market declines, which could, among other things, result in increased expenses for guaranteed minimum income benefit contracts, guaranteed minimum death benefit contracts and the Company's pension plans in future periods as well as the recognition of additional pension obligations; 17. significant deterioration in economic conditions and significant market volatility, which could have an adverse effect on the Company's operations, investments, liquidity and access to capital markets; 18. significant deterioration in economic conditions and significant market volatility, which could have an adverse effect on the businesses of our customers (including the amount and type of health care services provided to their workforce, loss in workforce and our customers' ability to pay receivables) and our vendors (including their ability to provide services); 19. adverse changes in state, federal and international laws and regulations, including health care reform legislation and regulation which could, among other items, affect the way the Company does business, increase cost, limit the ability to effectively estimate, price for and manage medical costs, and affect the Company's products, services, market segments, technology and processes; 20. amendments to income tax laws, which could affect the taxation of employer provided benefits, the taxation of certain insurance products such as corporate-owned life insurance, or the financial decisions of individuals whose variable annuities are covered under reinsurance contracts issued by the Company; 21. potential public health epidemics, pandemics and bio-terrorist activity, which could, among other things, cause the Company's covered medical and disability expenses, pharmacy costs and mortality experience to rise significantly, and cause operational disruption, depending on the severity of the event and number of individuals affected; 22. risks associated with security or interruption of information systems, which could, among other things, cause operational disruption; 23. challenges and risks associated with the successful management of the Company's outsourcing projects or vendors, including the agreement with IBM for provision of technology infrastructure and related services; and 24. the political, legal, operational, regulatory and other challenges associated with expanding our business globally.

This list of important factors is not intended to be exhaustive. Other sections of the Company's most recent Annual Report on Form 10-K, including the "Risk Factors" section, the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2011, June 30, 2011, September 30, 2011, and other documents filed with the Securities and Exchange Commission include both expanded discussion of these factors and additional risk factors and uncertainties that could preclude the Company from realizing the forward-looking statements. The Company does not assume any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Financial information is provided as of the dates referenced herein only. Cigna does not undertake to revise or update this information.

# Continued Effective Execution of Focused Strategy

($ in millions, except per share amounts)

| Earnings[1] | 2009 Actual | 2010 Actual | 2011 Actual |
|---|---|---|---|
| HealthCare | $729 | $861 | $990 |
| Group Disability & Life[2] | 279 | 291 | 282 |
| International | 182 | 243 | 289 |
| **Ongoing Businesses** | **$1,190** | **$1,395** | **$1,561** |
| | | | |
| **Consolidated** | **$1,097** | **$1,277** | **$1,428** |
| **Earnings Per Share[1]** | **$3.98** | **$4.64** | **$5.21** |

**+12%**

**Y/Y Earnings & EPS Growth**

(1) Reflects adjusted income from operations, which is income from continuing operations excluding realized investment results and special items. See the attached appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measures.

(2) Includes an after-tax gain of $11 million from the sale of the workers' compensation and case management business in fourth quarter 2010.



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# 2012 Earnings Outlook[1]

($ in millions, except per share amounts)

| Earnings[1] | Recasted 2011 | Estimated 2012 (including HealthSpring Contributions) | Y/Y |
|---|---|---|---|
| Health Care<br>Excluding favorable PYD of $53, or $0.19 per share, in 2011 | $990<br>$937 | $1,120 – $1,190 | **13% – 20%**<br>**20% – 27%** |
| Group Disability & Life | 282 | 260 – 280 | (8)% – (1)% |
| International[2] (2011 reduced by $70 million, or $0.26 per share, for accounting change) | 219 | 265 – 285 | **21% – 30%** |
| **Ongoing Businesses** | **$1,491** | **$1,645 – $1,755** | **10%–18%** |
| Run-off, Other & Corporate (includes VADBe reserve strengthening of $45, or $0.16 per share, in 2011) | (133) | (185) | |
| **Consolidated** | **$1,358** | **$1,460 – $1,570** | **8% – 16%** |
| **Earnings Per Share[1]** | **$4.95** | **$5.00 – $5.40** | **1% – 9%** |
| **Excluding PYD and VADBe** | **$4.92** | | **2% – 10%** |

(1) Reflects adjusted income from operations, which is income from continuing operations excluding realized investment results and special items. See the attached appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measures. Outlook does not include impact of any future share repurchase and assumes breakeven VADBe results.

(2) Recasted International earnings reflect the estimated reduction in reported 2011 earnings of approximately $70 million after-tax, or $0.26 per share, to reflect impact of the requirement to adopt new accounting guidance for costs related to the acquisition or renewal of insurance contracts ("deferred acquisition costs")

# HealthSpring: 2012 Earnings[1] Contribution

($ in millions, except per share amounts)

| | Earnings | EPS |
|---|---|---|
| **Included in Health Care Outlook** | **$160 – $180** | **$0.55 – $0.62** |
| **Impact of Financing: Debt and Equity Issued** | **($55)** | **($0.52)** |

| | Earnings | EPS |
|---|---|---|
| Corporate: Estimated Interest Expense | ($55) | ($0.19) |
| Enterprise: Shares issued to finance acquisition | | ($0.33) |

| | Earnings | EPS |
|---|---|---|
| **2012 Earnings Outlook** (including interest expense and shares issued) | **$105 – $125** | **$0.03 – $0.10** |
| **2012 "Cash Basis" Earnings** (excluding amortization and depreciation) | **$235 – $255** | **$0.48 – $0.55** |

| | Earnings | EPS |
|---|---|---|
| Amortization and depreciation | $130 | $0.45 |

**10% Cash EPS Accretion**

(1) Reflects adjusted income from operations, which is income from continuing operations excluding realized investment results and special items. See the attached appendix for a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP measures. Outlook does not include impact of any future share repurchase and assumes breakeven VADBe results.

# 2012 Parent Company Cash Flow

($ in millions)

| | Full-Year 2012 Projection |
|---|---|
| **12/31/11, BEGINNING PARENT COMPANY CASH** | **$3,800** |
| Subsidiary Dividends | 1,300 |
| Acquisition of HealthSpring (including net debt acquired and transaction costs) | (3,900) |
| Net Sources and Uses[1] (including net debt issuance and pension contributions) | (300) |
| **2012 FULL-YEAR PARENT COMPANY CASH AVAILABILITY** | **$900** |
| Target to Maintain at Parent | (400) - (500) |
| **Available for Capital Deployment – Full-Year 2012** | **$400 - $500** |

(1) Other sources and uses include net interest expense, shareholder dividends, parent company expenses, net debt issuance and pension plan contributions.

# Longer-Term Outlook

- U.S. Health Care and Group Operations:
  - Mid- to upper-single digit revenue/earnings growth
  - Strong margins and return on capital
- International Operations:
  - Double digit revenue/earnings growth
  - Strong margins and return on capital
- Capital Deployment:
  - Acquisitions and strategic expansion
  - Return capital to shareholders

Revenue/ Earnings growth

+

Capital Deployment

Average
10% to 13%
3 to 5-Year
EPS
Growth

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# Growth Opportunities: 2013 and Beyond

## Growth Opportunities

| | U.S. Commercial | Medicare/ Seniors HealthCare | International | U.S. Individual/ Retail |
|---|---|---|---|---|
| Potential Revenue Growth | Mid-Single | High single to Low Double | Mid-teens | Meaningful Future Opportunity |
| Market Expansion + Proven Capabilities | Increasing Demand for Improved Health & Lower Costs<br>Consultative Selling<br>Service Excellence<br>Differentiated Health & Productivity Solutions<br>Unique Funding Alternatives | Growing Demographics<br>Geographic Expansion<br>Differentiated Physician Engagement<br>Leading Service and Quality | Growing Middle Class in Emerging Markets<br>Increasing Demand for Globally Mobile Solutions<br>Differentiated Products/ Distribution<br>Global Delivery Infrastructure | Leverage HealthSpring Delivery and International Distribution Capabilities |

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# Appendix

# Appendix: Reconciliation to GAAP

**Cigna Corporation**
**Reconciliation of Adjusted Income from Operations to Shareholders' Net Income**
*(Dollars in millions, except per share amounts)*

| Year Ended December 31, 2009 | | U.S. Health Care | International | Group Disability & Life | Total Ongoing Ops. | Consolidated | Diluted EPS Consolidated |
|---|---|---|---|---|---|---|---|
| Adjusted income from operations | $ | 729 | 182 | 279 | 1,190 | 1,097 | 3.98 |
| Results of guaranteed minimum income benefits | | - | - | - | - | 209 | 0.76 |
| Special items | | 2 | 1 | 5 | 8 | 21 | 0.08 |
| Segment earnings | $ | 731 | 183 | 284 | 1,198 | 1,327 | 4.82 |
| Net realized investment gains (losses), net of taxes | | (19) | 2 | (1) | (18) | (26) | (0.09) |
| Shareholders' net income from discontinued operations | | - | - | - | - | 1 | - |
| Shareholders' net income | $ | 712 | 185 | 283 | 1,180 | 1,302 | 4.73 |
| **Year Ended December 31, 2010** | | | | | | | |
| Adjusted income from operations | $ | 861 | 243 | 291 | 1,395 | 1,277 | 4.64 |
| Results of guaranteed minimum income benefits | | - | - | - | - | (24) | (0.09) |
| Special items | | - | - | - | - | 42 | 0.16 |
| Segment earnings | $ | 861 | 243 | 291 | 1,395 | 1,295 | 4.71 |
| Net realized investment gains (losses), net of taxes | | 26 | 2 | 12 | 40 | 50 | 0.18 |
| Shareholders' net income | $ | 887 | 245 | 303 | 1,435 | 1,345 | 4.89 |
| **Year Ended December 31, 2011** | | | | | | | |
| Adjusted income from operations | $ | 990 | 289 | 282 | 1,561 | 1,428 | 5.21 |
| Results of guaranteed minimum income benefits | | - | - | - | - | (135) | (0.49) |
| Special items | | 1 | (3) | 5 | 3 | (7) | (0.03) |
| Segment earnings | $ | 991 | 286 | 287 | 1,564 | 1,286 | 4.69 |
| Net realized investment gains (losses), net of taxes | | 24 | 1 | 6 | 31 | 41 | 0.15 |
| Shareholders' net income | $ | 1,015 | 287 | 293 | 1,595 | 1,327 | 4.84 |

Cigna measures the financial results of its segments using Segment Earnings (Loss), which is defined as shareholders' net income (loss) before net realized investment results. Adjusted income (loss) from operations is defined as segment earnings excluding special items (which are identified and quantified in Note 3) and excludes results of Cigna's GMIB 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. This measure is not determined in accordance with generally accepted accounting principles (GAAP) and should not be viewed as a substitute for the most directly comparable GAAP measures, which are segment earnings (loss) and shareholders' net income. See above for a reconciliation of adjusted income (loss) from operations to segment earnings (loss) and consolidated shareholders' net income.



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# Cigna Corporation