

# **Cigna Corporation**

## **Quarterly Financial Supplement December 31, 2011**

*This document is dated February 2, 2012. 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**  
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**BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted. Certain reclassifications have been made to conform prior period results to the current presentation.*

*Cigna measures the financial results of its segments using "segment earnings (loss)," which is defined as shareholders' income (loss) before net realized investment gains (losses). Adjusted income (loss) from operations is defined as segment earnings excluding special items, that are identified and quantified on page 3, 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' net income determined in accordance with GAAP.*

**Cigna Corporation**  
**Financial Highlights (unaudited)**

|  | Three Months Ended December 31, |          |          | Year Ended December 31, |           |          |
|--|---------------------------------|----------|----------|-------------------------|-----------|----------|
|  | 2011                            | 2010     | % Change | 2011                    | 2010      | % Change |
| <i>(Dollars in millions, except per share amounts)</i>       |                                 |          |          |                         |           |          |
| <b>SEGMENT REVENUES</b>                                      |                                 |          |          |                         |           |          |
| Health Care  | \$ 3,827                        | \$ 3,873 | (1) %    | \$ 15,136               | \$ 15,248 | (1) %    |
| Disability and Life  | 745                             | 794      | (6)      | 3,047                   | 3,051     | -        |
| International  | 823                             | 656      | 25       | 3,113                   | 2,381     | 31       |
| Ongoing operations   | 5,395                           | 5,323    | 1        | 21,296                  | 20,680    | 3        |
| Run-off Reinsurance, Other Operations and Corporate          | 62                              | 75       | (17)     | 640                     | 498       | 29       |
| Total  | 5,457                           | 5,398    | 1        | 21,936                  | 21,178    | 4        |
| Net realized investment gains                                | 6                               | 31       | (81)     | 62                      | 75        | (17)     |
| Total Revenues   | \$ 5,463                        | \$ 5,429 | 1 %      | \$ 21,998               | \$ 21,253 | 4 %      |
| <b>ADJUSTED INCOME (LOSS) FROM OPERATIONS</b>                |                                 |          |          |                         |           |          |
| Health Care  | \$ 216                          | \$ 207   | 4 %      | \$ 990                  | \$ 861    | 15 %     |
| Disability and Life  | 55                              | 72       | (24)     | 282                     | 291       | (3)      |
| International  | 59                              | 57       | 4        | 289                     | 243       | 19       |
| Ongoing operations   | 330                             | 336      | (2)      | 1,561                   | 1,395     | 12       |
| Run-off Reinsurance, Other Operations and Corporate          | (20)                            | (23)     | 13       | (133)                   | (118)     | (13)     |
| Total  | \$ 310                          | \$ 313   | (1) %    | \$ 1,428                | \$ 1,277  | 12 %     |
| Diluted earnings per share - adjusted income from operations | \$ 1.11                         | \$ 1.15  | (3) %    | \$ 5.21                 | \$ 4.64   | 12 %     |

|  | As of December 31, |        |          |
|--|--------------------|--------|----------|
|  | 2011               | 2010   | % Change |
| <i>(relationships, lives and policies in thousands)</i>                                    |                    |        |          |
| <b>CUSTOMER RELATIONSHIPS</b>  |                    |        |          |
| <b>Medical Membership:</b>   |                    |        |          |
| Health Care (see page 8)   | 11,483             | 11,437 | - %      |
| International: Global Health Benefits (see page 11)  | 1,197              | 1,036  | 16       |
| Total medical membership   | 12,680             | 12,473 | 2 %      |
| <b>Other Customer Relationships: (see page 8)</b>  |                    |        |          |
| Behavioral care  | 20,797             | 18,257 | 14 %     |
| Dental   | 10,884             | 10,251 | 6 %      |
| Pharmacy   | 6,368              | 6,501  | (2) %    |
| Medicare Part D  | 538                | 560    | (4) %    |
| Disability and Life covered lives (estimated)  | 11,000             | 10,800 | 2 %      |
| International Health, Life and Accident Policies (Individual) (see page 11) <sup>(1)</sup> | 6,623              | 5,931  | 12 %     |
| Total customer relationships   | 68,890             | 64,773 | 6 %      |

(1) Policies from the China Joint Venture have not been included (see page 11).

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

(Dollars in millions, except per share amounts)

|   | Three Months Ended December 31, |        |          | Year Ended December 31, |          |          |
|---|---------------------------------|--------|----------|-------------------------|----------|----------|
|   | 2011                            | 2010   | % Change | 2011                    | 2010     | % Change |
| <b>ADJUSTED INCOME (LOSS) FROM OPERATIONS</b> |                                 |        |          |                         |          |          |
| Health Care                                   | \$ 216                          | \$ 207 | 4 %      | \$ 990                  | \$ 861   | 15 %     |
| Disability and Life                           | 55                              | 72     | (24)     | 282                     | 291      | (3)      |
| International                                 | 59                              | 57     | 4        | 289                     | 243      | 19       |
| Run-off Reinsurance                           | (1)                             | 1      | -        | (48)                    | (27)     | (78)     |
| Other Operations                              | 21                              | 20     | 5        | 85                      | 85       | -        |
| Corporate                                     | (40)                            | (44)   | 9        | (170)                   | (176)    | 3        |
| Total   | \$ 310                          | \$ 313 | (1) %    | \$ 1,428                | \$ 1,277 | 12 %     |

**SHAREHOLDERS' NET INCOME**

**Segment Earnings (Loss)**

|   |        |        |        |          |          |       |
|---|--------|--------|--------|----------|----------|-------|
| Health Care <sup>(2)</sup>                  | \$ 216 | \$ 207 | 4 %    | \$ 991   | \$ 861   | 15 %  |
| Disability and Life <sup>(2)</sup>          | 55     | 72     | (24)   | 287      | 291      | (1)   |
| International <sup>(1)</sup>                | 56     | 57     | (2)    | 286      | 243      | 18    |
| Run-off Reinsurance <sup>(3), (4)</sup>     | 6      | 163    | (96)   | (183)    | 26       | -     |
| Other Operations <sup>(2)</sup>             | 21     | 20     | 5      | 89       | 85       | 5     |
| Corporate <sup>(1), (2), (4), (5)</sup>     | (68)   | (79)   | 14     | (184)    | (211)    | 13    |
| Total                                       | 286    | 440    | (35)   | 1,286    | 1,295    | (1)   |
| Net realized investment gains, net of taxes | 4      | 21     | (81)   | 41       | 50       | (18)  |
| Shareholders' net income                    | \$ 290 | \$ 461 | (37) % | \$ 1,327 | \$ 1,345 | (1) % |

**DILUTED EARNINGS PER SHARE**

|   |         |         |        |         |         |       |
|---|---------|---------|--------|---------|---------|-------|
| Adjusted income from operations                                   | \$ 1.11 | \$ 1.15 | (3) %  | \$ 5.21 | \$ 4.64 | 12 %  |
| Results of guaranteed minimum income benefits business, after-tax | 0.03    | 0.31    | (90)   | (0.49)  | (0.09)  | (444) |
| Net realized investment gains, net of taxes                       | 0.01    | 0.08    | (88)   | 0.15    | 0.18    | (17)  |
| Special item(s), after-tax  | (0.11)  | 0.15    | -      | (0.03)  | 0.16    | -     |
| Shareholders' net income  | \$ 1.04 | \$ 1.69 | (38) % | \$ 4.84 | \$ 4.89 | (1) % |
| Weighted Average Shares (in thousands)                            | 278,290 | 272,697 | 2 %    | 274,249 | 275,287 | - %   |

As of December 31,

|  | 2011    | 2010    | % Change |
|--|---------|---------|----------|
| Common shares outstanding (in thousands) | 285,533 | 271,880 | 5 %      |

**Special Item(s)**

- (1) The year ended December 31, 2011 includes pre-tax charges of \$39 million (\$31 million after-tax) for costs associated with acquisitions: \$35 million pre-tax (\$28 million after-tax) in Corporate for the 2012 acquisition of HealthSpring, Inc. and \$4 million pre-tax (\$3 million after-tax) in International for the 2011 acquisition of FirstAssist Group Holdings Limited ("FirstAssist").
- (2) The year ended December 31, 2011 includes a net tax benefit of \$24 million resulting from the completion of the 2007 and 2008 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 \$4 million (\$9 million pre-tax charge) in Other Operations and an after-tax benefit of \$14 million in Corporate.
- (3) The year ended December 31, 2010 includes a pre-tax charge of \$31 million (\$20 million after-tax) in Run-off Reinsurance related to the loss on a reinsurance transaction.
- (4) The year ended December 31, 2010 includes a net tax benefit of \$101 million related to the resolution of a Federal tax matter.
  - After-tax benefit of \$97 million in Run-off Reinsurance and an after-tax benefit of \$4 million in Corporate.
- (5) The year ended December 31, 2010 includes a pre-tax charge of \$59 million (\$39 million after-tax) in Corporate related to the loss on early extinguishment of debt.

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

(Dollars in millions, except per share amounts)

|  | Diluted Earnings Per Share |         | Consolidated |        | Health Care |        | Disability and Life |       | International |       | Run-off Reinsurance |        | Other Operations |       | Corporate |         |
|--|----------------------------|---------|--------------|--------|-------------|--------|---------------------|-------|---------------|-------|---------------------|--------|------------------|-------|-----------|---------|
|  | 4Q11                       | 4Q10    | 4Q11         | 4Q10   | 4Q11        | 4Q10   | 4Q11                | 4Q10  | 4Q11          | 4Q10  | 4Q11                | 4Q10   | 4Q11             | 4Q10  | 4Q11      | 4Q10    |
| <b>Three Months Ended December 31,</b>                 |                            |         |              |        |             |        |                     |       |               |       |                     |        |                  |       |           |         |
| Adjusted income (loss) from operations                 | \$ 1.11                    | \$ 1.15 | \$ 310       | \$ 313 | \$ 216      | \$ 207 | \$ 55               | \$ 72 | \$ 59         | \$ 57 | \$ (1)              | \$ 1   | \$ 21            | \$ 20 | \$ (40)   | \$ (44) |
| Results of guaranteed minimum income benefits business | 0.03                       | 0.31    | 7            | 85     | -           | -      | -                   | -     | -             | -     | 7                   | 85     | -                | -     | -         | -       |
| Special item(s), after-tax:                            |                            |         |              |        |             |        |                     |       |               |       |                     |        |                  |       |           |         |
| Costs associated with acquisitions                     | (0.11)                     | -       | (31)         | -      | -           | -      | -                   | -     | (3)           | -     | -                   | -      | -                | -     | (28)      | -       |
| Loss on reinsurance transaction                        | -                          | (0.07)  | -            | (20)   | -           | -      | -                   | -     | -             | -     | -                   | (20)   | -                | -     | -         | -       |
| Resolution of Federal Tax Matter                       | -                          | 0.36    | -            | 101    | -           | -      | -                   | -     | -             | -     | -                   | 97     | -                | -     | -         | 4       |
| Loss on early extinguishment of debt                   | -                          | (0.14)  | -            | (39)   | -           | -      | -                   | -     | -             | -     | -                   | -      | -                | -     | -         | (39)    |
| Segment earnings (loss)                                | 1.03                       | 1.61    | 286          | 440    | \$ 216      | \$ 207 | \$ 55               | \$ 72 | \$ 56         | \$ 57 | \$ 6                | \$ 163 | \$ 21            | \$ 20 | \$ (68)   | \$ (79) |
| Net realized investment gains, net of taxes            | 0.01                       | 0.08    | 4            | 21     |             |        |                     |       |               |       |                     |        |                  |       |           |         |
| Shareholders' net income                               | \$ 1.04                    | \$ 1.69 | \$ 290       | \$ 461 |             |        |                     |       |               |       |                     |        |                  |       |           |         |

|  | Diluted Earnings Per Share |           | Consolidated |          | Health Care |        | Disability and Life |        | International |        | Run-off Reinsurance |         | Other Operations |       | Corporate |          |
|--|----------------------------|-----------|--------------|----------|-------------|--------|---------------------|--------|---------------|--------|---------------------|---------|------------------|-------|-----------|----------|
|  | 2011                       | 2010      | 2011         | 2010     | 2011        | 2010   | 2011                | 2010   | 2011          | 2010   | 2011                | 2010    | 2011             | 2010  | 2011      | 2010     |
| <b>Year Ended December 31,</b>                         |                            |           |              |          |             |        |                     |        |               |        |                     |         |                  |       |           |          |
| Adjusted income (loss) from operations                 | \$ 5.21                    | \$ 4.64   | \$ 1,428     | \$ 1,277 | \$ 990      | \$ 861 | \$ 282              | \$ 291 | \$ 289        | \$ 243 | \$ (48)             | \$ (27) | \$ 85            | \$ 85 | \$ (170)  | \$ (176) |
| Results of guaranteed minimum income benefits business | \$ (0.49)                  | \$ (0.09) | \$ (135)     | \$ (24)  | \$ -        | \$ -   | \$ -                | \$ -   | \$ -          | \$ -   | \$ (135)            | \$ (24) | \$ -             | \$ -  | \$ -      | \$ -     |
| Special item(s), after-tax:                            |                            |           |              |          |             |        |                     |        |               |        |                     |         |                  |       |           |          |
| Costs associated with acquisitions                     | (0.11)                     | -         | (31)         | -        | -           | -      | -                   | -      | (3)           | -      | -                   | -       | -                | -     | (28)      | -        |
| Completion of IRS examination                          | 0.08                       | -         | 24           | -        | 1           | -      | 5                   | -      | -             | -      | -                   | -       | 4                | -     | 14        | -        |
| Loss on reinsurance transaction                        | -                          | (0.07)    | -            | (20)     | -           | -      | -                   | -      | -             | -      | -                   | (20)    | -                | -     | -         | -        |
| Resolution of Federal Tax Matter                       | -                          | 0.37      | -            | 101      | -           | -      | -                   | -      | -             | -      | -                   | 97      | -                | -     | -         | 4        |
| Loss on early extinguishment of debt                   | -                          | (0.14)    | -            | (39)     | -           | -      | -                   | -      | -             | -      | -                   | -       | -                | -     | -         | (39)     |
| Segment earnings (loss)                                | 4.69                       | 4.71      | 1,286        | 1,295    | \$ 991      | \$ 861 | \$ 287              | \$ 291 | \$ 286        | \$ 243 | \$ (183)            | \$ 26   | \$ 89            | \$ 85 | \$ (184)  | \$ (211) |
| Net realized investment gains, net of taxes            | 0.15                       | 0.18      | 41           | 50       |             |        |                     |        |               |        |                     |         |                  |       |           |          |
| Shareholders' net income                               | \$ 4.84                    | \$ 4.89   | \$ 1,327     | \$ 1,345 |             |        |                     |        |               |        |                     |         |                  |       |           |          |

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

(Dollars in millions)

|   | Three Months Ended December 31, |               |               | Year Ended December 31, |                 |              |
|---|---------------------------------|---------------|---------------|-------------------------|-----------------|--------------|
|   | 2011                            | 2010          | % Change      | 2011                    | 2010            | % Change     |
| <b>Revenues:</b>  |                                 |               |               |                         |                 |              |
| Premiums and fees   | \$ 4,822                        | \$ 4,725      | 2 %           | \$ 19,089               | \$ 18,393       | 4 %          |
| Net investment income   | 286                             | 276           | 4             | 1,146                   | 1,105           | 4            |
| Mail order pharmacy revenues                                    | 391                             | 367           | 7             | 1,447                   | 1,420           | 2            |
| Other revenues <sup>(1)</sup>                                   | (42)                            | 30            | -             | 254                     | 260             | (2)          |
| Net realized investment gains                                   | 6                               | 31            | (81)          | 62                      | 75              | (17)         |
| Total revenues  | <u>5,463</u>                    | <u>5,429</u>  | 1             | <u>21,998</u>           | <u>21,253</u>   | 4            |
| <b>Benefits and Expenses:</b>                                   |                                 |               |               |                         |                 |              |
| Health Care medical claims expense                              | 2,057                           | 2,135         | (4)           | 8,182                   | 8,570           | (5)          |
| Other benefit expenses  | 984                             | 912           | 8             | 4,308                   | 3,660           | 18           |
| Mail order pharmacy cost of goods sold                          | 329                             | 303           | 9             | 1,203                   | 1,169           | 3            |
| Guaranteed minimum income benefits fair value (gain) loss       | (11)                            | (127)         | 91            | 234                     | 55              | 325          |
| Operating expenses excluding special item(s)                    | 1,610                           | 1,571         | 2             | 6,055                   | 5,839           | 4            |
| Special item(s) (See Special items(s) discussion on page 2)     | 39                              | 90            | (57)          | 48                      | 90              | (47)         |
| Total benefits and expenses                                     | <u>5,008</u>                    | <u>4,884</u>  | 3             | <u>20,030</u>           | <u>19,383</u>   | 3            |
| Income before income taxes                                      | <u>455</u>                      | <u>545</u>    | (17)          | <u>1,968</u>            | <u>1,870</u>    | 5            |
| Income taxes: (See Special item(s) discussion on page 2)        |                                 |               |               |                         |                 |              |
| Current   | 124                             | 75            | 65            | 398                     | 331             | 20           |
| Deferred  | 41                              | 8             | 413           | 242                     | 190             | 27           |
| Total taxes   | <u>165</u>                      | <u>83</u>     | 99            | <u>640</u>              | <u>521</u>      | 23           |
| <b>Net income</b>   | 290                             | 462           | (37)          | 1,328                   | 1,349           | (2)          |
| <b>Less: net income attributable to noncontrolling interest</b> | -                               | 1             | -             | 1                       | 4               | (75)         |
| <b>Shareholders' net income</b>                                 | <u>\$ 290</u>                   | <u>\$ 461</u> | <u>(37) %</u> | <u>\$ 1,327</u>         | <u>\$ 1,345</u> | <u>(1) %</u> |

(1) Includes pre-tax losses of \$100 million and \$4 million for the fourth quarter and year ended December 31, 2011, respectively, and \$85 million and \$157 million for the fourth quarter and year ended December 31, 2010, respectively, from futures and swaps contracts entered into as part of a dynamic hedge program to manage equity and growth interest rate risks in Cigna's run-off reinsurance operations. Cigna recorded related offsets in Benefits and Expenses to adjust liabilities for reinsured guaranteed minimum death benefit and guaranteed minimum income benefit contracts. For more information, please refer to Cigna's Form 10-K for the year ended December 31, 2011 which is expected to be filed on February 23, 2012.

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

(Dollars in millions)

|   | Three Months Ended December 31, |              |          | Year Ended December 31, |               |          |
|---|---------------------------------|--------------|----------|-------------------------|---------------|----------|
|   | 2011                            | 2010         | % Change | 2011                    | 2010          | % Change |
| <b>Revenues:</b>  |                                 |              |          |                         |               |          |
| Premiums and fees   | \$ 3,320                        | \$ 3,374     | (2) %    | \$ 13,181               | \$ 13,319     | (1) %    |
| Net investment income   | 66                              | 62           | 6        | 274                     | 243           | 13       |
| Mail order pharmacy revenues  | 391                             | 367          | 7        | 1,447                   | 1,420         | 2        |
| Other revenues  | <u>50</u>                       | <u>70</u>    | (29)     | <u>234</u>              | <u>266</u>    | (12)     |
| Segment revenues  | <u>3,827</u>                    | <u>3,873</u> | (1)      | <u>15,136</u>           | <u>15,248</u> | (1)      |
| <b>Benefits and Expenses:</b>   |                                 |              |          |                         |               |          |
| Health Care medical claims expense  | 2,057                           | 2,135        | (4)      | 8,182                   | 8,570         | (5)      |
| Other benefit expenses  | 20                              | 21           | (5)      | 83                      | 100           | (17)     |
| Mail order pharmacy cost of goods sold                                      | 329                             | 303          | 9        | 1,203                   | 1,169         | 3        |
| Operating expenses  | <u>1,080</u>                    | <u>1,097</u> | (2)      | <u>4,121</u>            | <u>4,072</u>  | 1        |
| Benefits and expenses   | <u>3,486</u>                    | <u>3,556</u> | (2)      | <u>13,589</u>           | <u>13,911</u> | (2)      |
| Income before income taxes  | 341                             | 317          | 8        | 1,547                   | 1,337         | 16       |
| Income taxes (See Special item(s) discussion on page 2)                     | 125                             | 110          | 14       | 556                     | 476           | 17       |
| <b>Segment earnings, after-tax</b>  | 216                             | 207          | 4        | 991                     | 861           | 15       |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2) | -                               | -            | -        | 1                       | -             | -        |
| <b>Adjusted income from operations</b>                                      | \$ 216                          | \$ 207       | 4 %      | \$ 990                  | \$ 861        | 15 %     |
| <b>Net realized investment gains (losses), net of taxes</b>                 | \$ (1)                          | \$ 11        | - %      | \$ 24                   | \$ 26         | (8) %    |

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

(Dollars in millions)

|   | Three Months Ended December 31, |                 |              | Year Ended December 31, |                  |              |
|---|---------------------------------|-----------------|--------------|-------------------------|------------------|--------------|
|   | 2011                            | 2010            | % Change     | 2011                    | 2010             | % Change     |
| Premiums:                                   |                                 |                 |              |                         |                  |              |
| Medical:                                    |                                 |                 |              |                         |                  |              |
| Guaranteed cost <sup>(1)</sup>              | \$ 1,029                        | \$ 1,039        | (1) %        | \$ 4,176                | \$ 3,929         | 6 %          |
| Experience-rated <sup>(2)</sup>             | 505                             | 460             | 10           | 1,934                   | 1,823            | 6            |
| Stop loss                                   | 378                             | 322             | 17           | 1,451                   | 1,287            | 13           |
| Dental                                      | 230                             | 202             | 14           | 894                     | 804              | 11           |
| Medicare                                    | 119                             | 365             | (67)         | 489                     | 1,470            | (67)         |
| Medicare Part D                             | 142                             | 124             | 15           | 624                     | 558              | 12           |
| Other                                       | 159                             | 134             | 19           | 600                     | 543              | 10           |
| Total medical                               | 2,562                           | 2,646           | (3)          | 10,168                  | 10,414           | (2)          |
| Life and other non-medical                  | 20                              | 17              | 18           | 77                      | 103              | (25)         |
| Total Premiums                              | 2,582                           | 2,663           | (3)          | 10,245                  | 10,517           | (3)          |
| Fees <sup>(3)</sup>                         | 738                             | 711             | 4            | 2,936                   | 2,802            | 5            |
| Subtotal Premiums and Fees                  | 3,320                           | 3,374           | (2)          | 13,181                  | 13,319           | (1)          |
| Mail order pharmacy revenues <sup>(4)</sup> | 391                             | 367             | 7            | 1,447                   | 1,420            | 2            |
| Other revenues <sup>(5)</sup>               | 50                              | 70              | (29)         | 234                     | 266              | (12)         |
| Net investment income                       | 66                              | 62              | 6            | 274                     | 243              | 13           |
| <b>Segment revenues</b>                     | <b>\$ 3,827</b>                 | <b>\$ 3,873</b> | <b>(1) %</b> | <b>\$ 15,136</b>        | <b>\$ 15,248</b> | <b>(1) %</b> |

(1) Includes open access, commercial HMO and voluntary/limited benefits business, as well as other risk-related products.

(2) Includes minimum premium business that has a risk profile similar to experience-rated funding arrangements. The risk portion of minimum premium revenue is reported in experience-rated medical premium whereas the self funding portion of minimum premium revenue is reported in fees. Also, includes certain non-participating cases for which special customer level reporting of experience is required.

(3) Represents administrative service fees for medical members and related specialty product fees for non-medical members as well as fees related to Medicare Part D of \$18 million for the three months and \$61 million for the year ended December 31, 2011, respectively, and \$18 million for the three months and \$57 million for the year ended December 31, 2010, respectively.

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

(5) Other revenues include non-risk revenues for direct channel specialty products, with year-to-date and prior periods including the Cigna Government Services business (Medicare Claim Administration), which was sold during the second quarter of 2011.



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

(Dollars in millions)

Three Months Ended December 31,  
2011                      2010                      % Change

Year Ended December 31,  
2011                      2010                      % Change

**OPERATING EXPENSES:**

|  | \$        | 740          | \$        | 729          | 2          | %        | \$        | 2,757        | \$        | 2,739        | 1        | %        |
|--|-----------|--------------|-----------|--------------|------------|----------|-----------|--------------|-----------|--------------|----------|----------|
| <b>Medical operating expenses</b>            |           |              |           |              |            |          |           |              |           |              |          |          |
| Premium taxes and commissions <sup>(1)</sup> |           | 107          |           | 108          | (1)        |          | 438       |              | 402       |              | 9        |          |
| Individual segment expansion                 |           | 30           |           | 23           | 30         |          | 104       |              | 74        |              | 41       |          |
| Pharmacy <sup>(2)</sup>                      |           | 49           |           | 51           | (4)        |          | 198       |              | 193       |              | 3        |          |
| Disease management                           |           | 53           |           | 38           | 39         |          | 156       |              | 151       |              | 3        |          |
| Dental                                       |           | 42           |           | 36           | 17         |          | 169       |              | 148       |              | 14       |          |
| Medicare claim administration                |           | 1            |           | 16           | (94)       |          | 45        |              | 74        |              | (39)     |          |
| Medicare Part D                              |           | 17           |           | 17           | -          |          | 64        |              | 61        |              | 5        |          |
| All other                                    |           | 41           |           | 79           | (48)       |          | 190       |              | 230       |              | (17)     |          |
| <b>Operating expenses</b>                    | <b>\$</b> | <b>1,080</b> | <b>\$</b> | <b>1,097</b> | <b>(2)</b> | <b>%</b> | <b>\$</b> | <b>4,121</b> | <b>\$</b> | <b>4,072</b> | <b>1</b> | <b>%</b> |

(1) Includes premium taxes and commissions related to medical membership, excluding Medicare, Individual, and Specialty which are shown in the respective categories above.

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

| <b>RATIOS:</b>   | Three Months Ended December 31, |        |       | Change<br>Better (Worse) | Year Ended December 31, |       |  | Change<br>Better (Worse) |
|--|---------------------------------|--------|-------|--------------------------|-------------------------|-------|--|--------------------------|
|  | 2011                            | 2010   |       |                          | 2011                    | 2010  |  |                          |
| Guaranteed Cost care ratio (including voluntary / limited benefits) <sup>(3)</sup> | 82.7 %                          | 78.5 % | (4.2) | 79.7 %                   | 80.1 %                  | 0.4   |  |                          |
| Medicare Part D care ratio (including fees)  | 58.0 %                          | 61.3 % | 3.3   | 83.4 %                   | 84.2 %                  | 0.8   |  |                          |
| Total Operating Expense Ratio  | 28.2 %                          | 28.3 % | 0.1   | 27.2 %                   | 26.7 %                  | (0.5) |  |                          |
| Total Operating Expense Ratio (excluding Medicare IPFFS) <sup>(4)</sup>            | 28.2 %                          | 29.2 % | 1.0   | 27.2 %                   | 27.7 %                  | 0.5   |  |                          |

(3) The Guaranteed Cost care ratio excludes the stop loss products associated with experience-rated and service members, and includes the impact of the rebates on the three months and year ended December 31, 2011 results, in accordance with the Patient Protection and Affordable Care Act.

(4) Beginning on January 1, 2011, Cigna exited the Medicare Advantage Individual Private Fee for Service (Medicare IPFFS) Business. There were no revenues or operating expenses, earned or incurred, associated with this business for 2011. For the three months ended December 31, 2010, total revenues for this business were \$208 million and operating expenses were \$27 million. For the year ended December 31, 2010, total revenues for this business were \$839 million and operating expenses were \$82 million.

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

| COVERED LIVES BY<br>FUNDING TYPE:         | As of December 31, |        |          |
|---|--------------------|--------|----------|
|   | 2011               | 2010   | % Change |
| <i>(Lives in thousands)</i>               |                    |        |          |
| <b>Medical membership: <sup>(1)</sup></b> |                    |        |          |
| Guaranteed cost <sup>(2)</sup>            | 1,091              | 1,177  | (7) %    |
| Experience-rated <sup>(3)</sup>           | 798                | 849    | (6)      |
| Total commercial risk                     | 1,889              | 2,026  | (7)      |
| Medicare                                  | 44                 | 145    | (70)     |
| Total risk                                | 1,933              | 2,171  | (11)     |
| Service                                   | 9,550              | 9,266  | 3        |
| <hr/>                                     |                    |        |          |
| Total medical membership                  | 11,483             | 11,437 | - %      |
| <b>Non-medical membership:</b>            |                    |        |          |
| Behavioral care <sup>(4)</sup>            | 20,797             | 18,257 | 14 %     |
| Dental <sup>(4)</sup>                     | 10,884             | 10,251 | 6 %      |
| Pharmacy <sup>(4)</sup>                   | 6,368              | 6,501  | (2) %    |
| Medicare Part D <sup>(5)</sup>            | 538                | 560    | (4) %    |

(1) Medical membership includes individuals who meet any one of the following criteria: are covered under an insurance policy or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; have medical claims that are administered by Cigna; or are covered under an insurance policy that is marketed by Cigna and for which Cigna assumes reinsurance of at least 50%.

(2) Includes open access, commercial HMO, and voluntary / limited benefits business, as well as other risk-related products.

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

(4) Reflects members enrolled in Cigna's dental, managed pharmacy, or behavioral care, including certain health coaching programs. These members may also be medical members, or they may have stand-alone dental, pharmacy, or behavioral care coverage.

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

| COVERED LIVES BY<br>MARKET SEGMENT: <sup>(6)</sup> | As of December 31, |                     |          |
|--|--------------------|---------------------|----------|
|  | 2011               | 2010 <sup>(7)</sup> | % Change |
| <i>(Lives in thousands)</i>                        |                    |                     |          |
| <b>Medical membership: <sup>(1)</sup></b>          |                    |                     |          |
| National Accounts                                  | 3,799              | 3,956               | (4) %    |
| Middle Market                                      | 6,769              | 6,519               | 4        |
| Select   | 722                | 619                 | 17       |
| Individual   | 126                | 105                 | 20       |
| Medicare, excluding IPFFS                          | 44                 | 54                  | (19)     |
| Subtotal   | 11,460             | 11,253              | 2        |
| Other  | 23                 | 184                 | (88)     |
| <hr/>  |                    |                     |          |
| Total medical membership                           | 11,483             | 11,437              | - %      |

(6) Market Segments defined as follows:

~ the National Accounts market segment includes multi-site employers with more than 5,000 employees;

~ the Middle Market segment includes multi-site employers with more than 250 but fewer than 5,000 employees, single-site employers with more than 250 employees, and certain members from alternative distribution methods and third party administrator solutions;

~ the Select market segment includes employers with more than 50 but fewer than 250 employees; and

~ Medicare, excluding IPFFS, includes Medicare HMO and Medicare Group PFFS.

~ Other includes Small business, which generally includes employers with 2-50 employees, Medicare IPFFS, and Student Health business. Cigna has made a strategic business decision to deemphasize or exit these Market Segments.

(7) Prior periods restated to reflect segment transfers resulting primarily from increased/decreased enrollment at the account level.

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

|   | Three Months Ended December 31, |        |          | Year Ended December 31, |          |          |
|---|---------------------------------|--------|----------|-------------------------|----------|----------|
|   | 2011                            | 2010   | % Change | 2011                    | 2010     | % Change |
| <b>Revenues:</b>  |                                 |        |          |                         |          |          |
| Premiums and fees:  |                                 |        |          |                         |          |          |
| Life <sup>(1)</sup>   | \$ 309                          | \$ 331 | (7) %    | \$ 1,256                | \$ 1,238 | 1 %      |
| Disability  | 306                             | 295    | 4        | 1,268                   | 1,167    | 9        |
| Other   | 62                              | 67     | (7)      | 256                     | 262      | (2)      |
| Total premiums and fees   | 677                             | 693    | (2)      | 2,780                   | 2,667    | 4        |
| Net investment income   | 68                              | 64     | 6        | 267                     | 261      | 2        |
| Other revenues  | -                               | 37     | -        | -                       | 123      | -        |
| Segment revenues  | 745                             | 794    | (6)      | 3,047                   | 3,051    | -        |
| <b>Benefits and Expenses:</b>   |                                 |        |          |                         |          |          |
| Benefit expenses  | 498                             | 513    | (3)      | 2,003                   | 1,935    | 4        |
| Operating expenses  | 170                             | 178    | (4)      | 648                     | 705      | (8)      |
| Benefits and expenses   | 668                             | 691    | (3)      | 2,651                   | 2,640    | -        |
| Income before income taxes  | 77                              | 103    | (25)     | 396                     | 411      | (4)      |
| Income taxes (See Special item(s) discussion on page 2)                     | 22                              | 31     | (29)     | 109                     | 120      | (9)      |
| <b>Segment earnings, after-tax</b>  | 55                              | 72     | (24)     | 287                     | 291      | (1)      |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2) | -                               | -      | -        | 5                       | -        | -        |
| <b>Adjusted income from operations</b>                                      | \$ 55                           | \$ 72  | (24) %   | \$ 282                  | \$ 291   | (3) %    |
| <b>Net realized investment gains, net of taxes</b>                          | \$ 2                            | \$ 4   | (50) %   | \$ 6                    | \$ 12    | (50) %   |

(1) Includes Life premiums of \$34 million for the three months ended and \$52 million for the year ended December 31, 2010 from non-strategic assumed government life insurance programs that were exited prior to 2011.

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

| (Dollars in millions)   | Three Months Ended December 31, |        |          | Year Ended December 31, |          |          |
|---|---------------------------------|--------|----------|-------------------------|----------|----------|
|   | 2011                            | 2010   | % Change | 2011                    | 2010     | % Change |
| <b>Revenues:</b>  |                                 |        |          |                         |          |          |
| Premiums and fees:  |                                 |        |          |                         |          |          |
| Health, Life, and Accident (Individual)                                     | \$ 409                          | \$ 334 | 22 %     | \$ 1,526                | \$ 1,231 | 24 %     |
| Global Health Benefits (Group)  | 381                             | 291    | 31       | 1,464                   | 1,037    | 41       |
| Total premiums and fees   | 790                             | 625    | 26       | 2,990                   | 2,268    | 32       |
| Net investment income   | 25                              | 23     | 9        | 96                      | 82       | 17       |
| Other revenues  | 8                               | 8      | -        | 27                      | 31       | (13)     |
| Segment revenues  | 823                             | 656    | 25       | 3,113                   | 2,381    | 31       |
| <b>Benefits and Expenses:</b>   |                                 |        |          |                         |          |          |
| Benefit expenses  | 445                             | 350    | 27       | 1,697                   | 1,255    | 35       |
| Operating expenses <sup>(1)</sup>   | 286                             | 226    | 27       | 1,000                   | 784      | 28       |
| Special item(s) (See Special item(s) discussion on page 2)                  | 4                               | -      | -        | 4                       | -        | -        |
| Benefits and expenses   | 735                             | 576    | 28       | 2,701                   | 2,039    | 32       |
| Income before income taxes  | 88                              | 80     | 10       | 412                     | 342      | 20       |
| Income taxes  | 32                              | 22     | 45       | 125                     | 95       | 32       |
| Income attributable to noncontrolling interest                              | -                               | 1      | -        | 1                       | 4        | (75)     |
| <b>Segment earnings, after-tax</b>  | 56                              | 57     | (2)      | 286                     | 243      | 18       |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2) | (3)                             | -      | -        | (3)                     | -        | -        |
| <b>Adjusted income from operations</b>                                      | \$ 59                           | \$ 57  | 4 %      | \$ 289                  | \$ 243   | 19 %     |
| <b>Net realized investment gains, net of taxes</b>                          | \$ -                            | \$ -   | - %      | \$ 1                    | \$ 2     | (50) %   |

(1) Operating expenses include policy acquisition expenses of \$133 million for the three months and \$453 million for the year ended December 31, 2011, respectively, and \$99 million for the three months and \$366 million for the year ended December 31, 2010, respectively.

| (Dollars in millions)  | Three Months Ended December 31, |        |          | Year Ended December 31, |          |          |
|--|---------------------------------|--------|----------|-------------------------|----------|----------|
|  | 2011                            | 2010   | % Change | 2011                    | 2010     | % Change |
| <b>Excluding the Effect of Foreign Currency Movements:<sup>(2)</sup></b> |                                 |        |          |                         |          |          |
| Premiums and fees  | \$ 794                          | \$ 625 | 27 %     | \$ 2,902                | \$ 2,268 | 28 %     |
| Adjusted income from operations  | \$ 58                           | \$ 57  | 2 %      | \$ 278                  | \$ 243   | 14 %     |

(2) Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. The impact of foreign currency movements was calculated by comparing the reported results in the current period to what the results would have been had the exchange rates remained constant with the prior period's exchange rates.

**Cigna Corporation  
International  
Key Metrics (unaudited)**

(Dollars in millions)

| HEALTH, LIFE AND ACCIDENT (INDIVIDUAL) PREMIUMS AND FEES BY GEOGRAPHY: | Three Months Ended December 31, |               |             | Year Ended December 31, |                 |             |
|--|---------------------------------|---------------|-------------|-------------------------|-----------------|-------------|
|  | 2011                            | 2010          | % Change    | 2011                    | 2010            | % Change    |
| Korea  | \$ 238                          | \$ 198        | 20 %        | \$ 909                  | \$ 717          | 27 %        |
| Taiwan   | 60                              | 56            | 7           | 245                     | 207             | 18          |
| Indonesia  | 23                              | 22            | 5           | 94                      | 86              | 9           |
| Europe <sup>(2)</sup>  | 40                              | 18            | 122         | 99                      | 75              | 32          |
| Other  | 48                              | 40            | 20          | 179                     | 146             | 23          |
| <b>Total Health, Life and Accident (Individual) <sup>(1)</sup></b>     | <b>\$ 409</b>                   | <b>\$ 334</b> | <b>22 %</b> | <b>\$ 1,526</b>         | <b>\$ 1,231</b> | <b>24 %</b> |
| China Joint Venture <sup>(1)</sup>                                     | \$ 74                           | \$ 50         | 48 %        | \$ 250                  | \$ 169          | 48 %        |

| NUMBER OF POLICIES:   | As of December 31, |       |          |
|---|--------------------|-------|----------|
|   | 2011               | 2010  | % Change |
| Health, Life and Accident Policies (Individual) <sup>(1), (3)</sup> | 6,623              | 5,931 | 12 %     |
| China Joint Venture <sup>(1)</sup>                                  | 917                | 791   | 16 %     |

(1) Cigna owns a 50% noncontrolling interest in its China Joint Venture. Cigna's 50% share of the joint venture's earnings are reported in Other Revenues using the equity method of accounting under GAAP. As such, the premiums and fees and policy count from the China Joint Venture have not been included in the above Health, Life and Accident Premiums and Fees By Geography or Number of Policies. The China Joint Venture premiums and fees and policy count are presented as if Cigna owned 100% of the joint venture for informational purposes only.

(2) Europe includes FirstAssist premiums and fees for December 2011.

(3) FirstAssist will be included in the Health, Life and Accident policies (Individual) count in the first quarter of 2012.

| ESTIMATED COVERED LIVES:   | As of December 31, |              |             |
|--|--------------------|--------------|-------------|
|  | 2011               | 2010         | % Change    |
| (Lives in thousands)   |                    |              |             |
| <b>Global Health Benefits and Healthcare customers, by Funding Type:</b> |                    |              |             |
| Risk   | 582                | 480          | 21 %        |
| Service  | 615                | 556          | 11          |
| <b>Total</b>   | <b>1,197</b>       | <b>1,036</b> | <b>16 %</b> |

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

|  | Three Months Ended December 31, |       |          | Year Ended December 31, |         |          |
|--|---------------------------------|-------|----------|-------------------------|---------|----------|
|  | 2011                            | 2010  | % Change | 2011                    | 2010    | % Change |
| <i>(Dollars in millions)</i>   |                                 |       |          |                         |         |          |
| <b>Revenues:</b>   |                                 |       |          |                         |         |          |
| Premiums and fees  | \$ 6                            | \$ 5  | 20 %     | \$ 24                   | \$ 25   | (4) %    |
| Net investment income  | 26                              | 27    | (4)      | 103                     | 114     | (10)     |
| Other revenues <sup>(1)</sup>  | (100)                           | (85)  | (18)     | (4)                     | (158)   | 97       |
| Segment revenues   | (68)                            | (53)  | (28)     | 123                     | (19)    | -        |
| <b>Benefits and Expenses:</b>  |                                 |       |          |                         |         |          |
| Benefit expenses   | (75)                            | (69)  | (9)      | 140                     | (25)    | -        |
| Guaranteed minimum income benefits fair value (gain) loss                              | (11)                            | (127) | 91       | 234                     | 55      | 325      |
| Operating expenses   | 10                              | 9     | 11       | 31                      | 30      | 3        |
| Special item(s) (See Special item(s) discussion on page 2)                             | -                               | 31    | -        | -                       | 31      | -        |
| Benefits and expenses  | (76)                            | (156) | 51       | 405                     | 91      | 345      |
| Income (loss) before income taxes  | 8                               | 103   | (92)     | (282)                   | (110)   | (156)    |
| Income taxes (benefits)  | 2                               | (60)  | -        | (99)                    | (136)   | 27       |
| <b>Segment income (loss), after-tax</b>  | 6                               | 163   | (96)     | (183)                   | 26      | -        |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2)            | -                               | 77    | -        | -                       | 77      | -        |
| Less: Results of guaranteed minimum income benefits business, after-tax <sup>(2)</sup> | 7                               | 85    | (92)     | (135)                   | (24)    | (463)    |
| <b>Adjusted income (loss) from operations</b>  | \$ (1)                          | \$ 1  | - %      | \$ (48)                 | \$ (27) | (78) %   |
| <b>Net realized investment gains, net of taxes</b>                                     | \$ 3                            | \$ 3  | - %      | \$ 4                    | \$ 5    | (20) %   |

(1) See the Dynamic Hedge Program discussion on page 4 for further information.

(2) Results of guaranteed minimum income benefits business include "Guaranteed minimum income benefits fair value (gain) loss," as well as net investment income, income taxes associated with this business, and beginning in 2011, the results of futures and interest rate swaps entered into to hedge equity and growth interest rate risk.

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

|   | Three Months Ended December 31, |            |          | Year Ended December 31, |            |          |
|---|---------------------------------|------------|----------|-------------------------|------------|----------|
|   | 2011                            | 2010       | % Change | 2011                    | 2010       | % Change |
| <i>(Dollars in millions)</i>  |                                 |            |          |                         |            |          |
| <b>Revenues:</b>  |                                 |            |          |                         |            |          |
| Premiums and fees   | \$ 29                           | \$ 28      | 4 %      | \$ 114                  | \$ 114     | - %      |
| Net investment income   | 99                              | 99         | -        | 400                     | 404        | (1)      |
| Other revenues  | 14                              | 16         | (13)     | 55                      | 60         | (8)      |
| Segment revenues  | <u>142</u>                      | <u>143</u> | (1)      | <u>569</u>              | <u>578</u> | (2)      |
| <b>Benefits and Expenses:</b>   |                                 |            |          |                         |            |          |
| Benefit expenses  | 96                              | 97         | (1)      | 385                     | 395        | (3)      |
| Operating expenses excluding special item(s)                                | 15                              | 15         | -        | 57                      | 59         | (3)      |
| Special item(s) (See Special item(s) discussion on page 2)                  | -                               | -          | -        | 9                       | -          | -        |
| Benefits and expenses   | <u>111</u>                      | <u>112</u> | (1)      | <u>451</u>              | <u>454</u> | (1)      |
| Income before income taxes  | 31                              | 31         | -        | 118                     | 124        | (5)      |
| Income taxes (See Special item(s) discussion on page 2)                     | 10                              | 11         | (9)      | 29                      | 39         | (26)     |
| <b>Segment earnings, after-tax</b>  | 21                              | 20         | 5        | 89                      | 85         | 5        |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2) | -                               | -          | -        | 4                       | -          | -        |
| <b>Adjusted income from operations</b>                                      | \$ 21                           | \$ 20      | 5 %      | \$ 85                   | \$ 85      | - %      |
| <b>Net realized investment gains, net of taxes</b>                          | \$ -                            | \$ 3       | - %      | \$ 6                    | \$ 5       | 20 %     |

**Cigna Corporation**  
**Corporate (unaudited)**

| (Dollars in millions)   | Three Months Ended December 31, |             |          | Year Ended December 31, |             |          |
|---|---------------------------------|-------------|----------|-------------------------|-------------|----------|
|   | 2011                            | 2010        | % Change | 2011                    | 2010        | % Change |
| <b>Revenues:</b>  |                                 |             |          |                         |             |          |
| Net investment income   | \$ 2                            | \$ 1        | 100 %    | \$ 6                    | \$ 1        | 500 %    |
| Other revenues <sup>(1)</sup>   | <u>(14)</u>                     | <u>(16)</u> | 13       | <u>(58)</u>             | <u>(62)</u> | 6        |
| Segment revenues  | <u>(12)</u>                     | <u>(15)</u> | 20       | <u>(52)</u>             | <u>(61)</u> | 15       |
| <b>Benefits and Expenses:</b>   |                                 |             |          |                         |             |          |
| Operating expenses <sup>(1)</sup>   | 49                              | 46          | 7        | 198                     | 189         | 5        |
| Special item(s) (See Special item(s) discussion on page 2)                  | <u>35</u>                       | <u>59</u>   | (41)     | <u>35</u>               | <u>59</u>   | (41)     |
| Benefits and expenses   | <u>84</u>                       | <u>105</u>  | (20)     | <u>233</u>              | <u>248</u>  | (6)      |
| Loss before income tax benefits   | (96)                            | (120)       | 20       | (285)                   | (309)       | 8        |
| Income tax benefits (See Special item(s) discussion on page 2)              | (28)                            | (41)        | 32       | (101)                   | (98)        | (3)      |
| <b>Segment loss, after-tax</b>  | (68)                            | (79)        | 14       | (184)                   | (211)       | 13       |
| Less: Special item(s), after-tax (See Special item(s) discussion on page 2) | (28)                            | (35)        | 20       | (14)                    | (35)        | 60       |
| <b>Adjusted loss from operations</b>  | \$ (40)                         | \$ (44)     | 9 %      | \$ (170)                | \$ (176)    | 3 %      |

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



**Cigna Corporation**  
**Consolidated Balance Sheets**

(Dollars in millions)

|  | As of<br>December 31,<br>2011<br>(Unaudited) | As of<br>December 31,<br>2010 |  | As of<br>December 31,<br>2011<br>(Unaudited) | As of<br>December 31,<br>2010 |
|--|--|-------------------------------|--|--|-------------------------------|
| <b>Assets</b>  |  |                               | <b>Liabilities</b>                                       |  |                               |
| Investments:   |  |                               |  |  |                               |
| Fixed maturities, at fair value (see pages 16 and 17)<br>(amortized cost, \$14,257 and \$13,445) | \$ 16,217                                    | \$ 14,709                     | Contractholder deposit funds                             | \$ 8,553                                     | \$ 8,509                      |
| Equity securities, at fair value<br>(cost, \$124 and \$144)                                      | 100  | 127                           | Future policy benefits                                   | 8,593  | 8,147                         |
| Commercial mortgage loans (see pages 18 and 19)  | 3,301  | 3,486                         | Unpaid claims and claim expenses                         | 4,146  | 4,017                         |
| Policy loans   | 1,502  | 1,581                         | Health Care medical claims payable                       | 1,095  | 1,246                         |
| Real estate  | 87   | 112                           | Unearned premiums and fees                               | <u>502</u>                                   | <u>416</u>                    |
| Other long-term investments  | 1,058  | 759                           | Total insurance and contractholder liabilities           | 22,889                                       | 22,335                        |
| Short-term investments   | <u>225</u>                                   | <u>174</u>                    | Accounts payable, accrued expenses and other liabilities | 6,627  | 5,936                         |
| Total investments  | 22,490                                       | 20,948                        | Short-term debt  | 104  | 552                           |
| Cash and cash equivalents  | 4,690  | 1,605                         | Long-term debt   | 4,990  | 2,288                         |
| Accrued investment income  | 252  | 235                           | Separate account liabilities                             | <u>8,093</u>                                 | <u>7,908</u>                  |
| Premiums, accounts and notes receivable, net   | 1,358  | 1,318                         | Total liabilities  | <u>42,703</u>                                | <u>39,019</u>                 |
| Reinsurance recoverables <sup>(1)</sup>  | 6,256  | 6,495                         | <b>Shareholders' Equity</b>                              |  |                               |
| Deferred policy acquisition costs  | 1,312  | 1,122                         | Common stock   | 92   | 88                            |
| Property and equipment   | 1,024  | 912                           | Additional paid-in capital                               | 3,188  | 2,534                         |
| Deferred income taxes, net   | 632  | 782                           | Net unrealized appreciation- fixed maturities            | \$ 739                                       | \$ 529                        |
| Goodwill   | 3,164  | 3,119                         | Net unrealized appreciation- equity securities           | 1  | 3                             |
| Other assets, including other intangibles  | 1,776  | 1,238                         | Net unrealized depreciation- derivatives                 | (23)   | (24)                          |
| Separate account assets  | 8,093  | 7,908                         | Net translation of foreign currencies                    | (3)  | 25                            |
|  |  |                               | Postretirement benefits liability adjustment             | <u>(1,507)</u>                               | <u>(1,147)</u>                |
|  |  |                               | Accumulated other comprehensive loss                     | (793)  | (614)                         |
|  |  |                               | Retained earnings  | 11,143                                       | 9,879                         |
|  |  |                               | Less treasury stock, at cost                             | <u>(5,286)</u>                               | <u>(5,242)</u>                |
|  |  |                               | Total shareholders' equity                               | 8,344  | 6,645                         |
|  |  |                               | Noncontrolling interest                                  | -  | 18                            |
|  |  |                               | Total equity   | 8,344  | 6,663                         |
| <b>Total assets</b>  | <b>\$ 51,047</b>                             | <b>\$ 45,682</b>              | <b>Total liabilities and equity</b>                      | <b>\$ 51,047</b>                             | <b>\$ 45,682</b>              |

(1) Reinsurance recoverables include \$5.7 billion as of December 31, 2011 and \$6.0 billion as of December 31, 2010 related to 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. Corresponding liabilities are primarily reported in Contractholder deposit funds and Future policy benefits.

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

(Dollars in millions)

| Sector                                       | As of December 31, 2011 |                 |                      |                       | As of December 31, 2010 |                 |                      |                       |
|--|-------------------------|-----------------|----------------------|-----------------------|-------------------------|-----------------|----------------------|-----------------------|
|  | Public                  | Private         | Total <sup>(1)</sup> | % of Fixed Maturities | Public                  | Private         | Total <sup>(1)</sup> | % of Fixed Maturities |
| United States Government                     | \$ 958                  | \$ -            | \$ 958               | 6%                    | \$ 687                  | \$ -            | \$ 687               | 4%                    |
| States and Local Government                  | 2,455                   | 1               | 2,456                | 15%                   | 2,466                   | 1               | 2,467                | 17%                   |
| Foreign Government                           | 1,226                   | 48              | 1,274                | 8%                    | 1,106                   | 48              | 1,154                | 8%                    |
| <b>Government</b>                            | <b>4,639</b>            | <b>49</b>       | <b>4,688</b>         | <b>29%</b>            | <b>4,259</b>            | <b>49</b>       | <b>4,308</b>         | <b>29%</b>            |
| Basic Industry                               | 865                     | 957             | 1,822                | 11%                   | 597                     | 842             | 1,439                | 10%                   |
| Capital Goods                                | 442                     | 1,029           | 1,471                | 9%                    | 400                     | 890             | 1,290                | 9%                    |
| Communications                               | 482                     | 116             | 598                  | 4%                    | 438                     | 106             | 544                  | 3%                    |
| Consumer                                     | 1,109                   | 1,088           | 2,197                | 14%                   | 1,002                   | 1,037           | 2,039                | 14%                   |
| Electric and Utility                         | 585                     | 623             | 1,208                | 7%                    | 553                     | 619             | 1,172                | 8%                    |
| Energy and Natural Gas                       | 563                     | 678             | 1,241                | 8%                    | 491                     | 689             | 1,180                | 8%                    |
| Financial                                    | 1,460                   | 304             | 1,764                | 11%                   | 1,345                   | 295             | 1,640                | 11%                   |
| Other  | 185                     | 27              | 212                  | 1%                    | 130                     | 10              | 140                  | 1%                    |
| <b>Corporate</b>                             | <b>5,691</b>            | <b>4,822</b>    | <b>10,513</b>        | <b>65%</b>            | <b>4,956</b>            | <b>4,488</b>    | <b>9,444</b>         | <b>64%</b>            |
| Collateralized Debt Obligations              | 18                      | -               | 18                   | 0%                    | 17                      | -               | 17                   | 0%                    |
| Credit Card                                  | -                       | 11              | 11                   | 0%                    | -                       | 3               | 3                    | 0%                    |
| Home Equity                                  | 1                       | -               | 1                    | 0%                    | 2                       | -               | 2                    | 0%                    |
| Foreign Bank Obligations                     | -                       | 519             | 519                  | 3%                    | -                       | 477             | 477                  | 3%                    |
| Other  | 6                       | 372             | 378                  | 2%                    | 7                       | 353             | 360                  | 3%                    |
| <b>Asset-Backed Securities</b>               | <b>25</b>               | <b>902</b>      | <b>927</b>           | <b>5%</b>             | <b>26</b>               | <b>833</b>      | <b>859</b>           | <b>6%</b>             |
| Commercial Mortgage-Backed Securities        | 79                      | -               | 79                   | 1%                    | 87                      | -               | 87                   | 1%                    |
| Collateralized Mortgage Obligations          | 9                       | 1               | 10                   | 0%                    | 10                      | 1               | 11                   | 0%                    |
| <b>Total Fixed Maturities <sup>(2)</sup></b> | <b>\$ 10,443</b>        | <b>\$ 5,774</b> | <b>\$ 16,217</b>     | <b>100%</b>           | <b>\$ 9,338</b>         | <b>\$ 5,371</b> | <b>\$ 14,709</b>     | <b>100%</b>           |
| % of Fixed Maturities                        | 64%                     | 36%             | 100%                 |                       | 63%                     | 37%             | 100%                 |                       |

(1) 92% of fixed maturities were investment grade as of December 31, 2011 and December 31, 2010. 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 \$53 million and \$77 million as of December 31, 2011 and December 31, 2010, respectively. For more information, please refer to Cigna's Form 10-K for the year ended December 31, 2011 which is expected to be filed on February 23, 2012.

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

(Dollars in millions)

| Sector                                | As of December 31, 2011 |                         |                         |                  |
|---------------------------------------|-------------------------|-------------------------|-------------------------|------------------|
|                                       | Amortized Cost          | Unrealized Appreciation | Unrealized Depreciation | Fair Value       |
| United States Government              | \$ 552                  | \$ 406                  | \$ -                    | \$ 958           |
| States and Local Government           | 2,185                   | 274                     | 3                       | 2,456            |
| Foreign Government                    | 1,173                   | 103                     | 2                       | 1,274            |
| <b>Government</b>                     | <b>3,910</b>            | <b>783</b>              | <b>5</b>                | <b>4,688</b>     |
| Basic Industry                        | 1,635                   | 196                     | 9                       | 1,822            |
| Capital Goods                         | 1,324                   | 149                     | 2                       | 1,471            |
| Communications                        | 537                     | 62                      | 1                       | 598              |
| Consumer                              | 1,957                   | 242                     | 2                       | 2,197            |
| Electric and Utility                  | 1,051                   | 158                     | 1                       | 1,208            |
| Energy and Natural Gas                | 1,088                   | 156                     | 3                       | 1,241            |
| Financial                             | 1,690                   | 100                     | 26                      | 1,764            |
| Other                                 | 204                     | 9                       | 1                       | 212              |
| <b>Corporate</b>                      | <b>9,486</b>            | <b>1,072</b>            | <b>45</b>               | <b>10,513</b>    |
| Collateralized Debt Obligations       | 20                      | -                       | 2                       | 18               |
| Credit Card                           | 11                      | -                       | -                       | 11               |
| Home Equity                           | 1                       | -                       | -                       | 1                |
| Foreign Bank Obligations              | 395                     | 132                     | 8                       | 519              |
| Other                                 | 351                     | 28                      | 1                       | 378              |
| <b>Asset-Backed Securities</b>        | <b>778</b>              | <b>160</b>              | <b>11</b>               | <b>927</b>       |
| Commercial Mortgage-Backed Securities | 73                      | 10                      | 4                       | 79               |
| Collateralized Mortgage Obligations   | 10                      | -                       | -                       | 10               |
| <b>Total Fixed Maturities</b>         | <b>\$ 14,257</b>        | <b>\$ 2,025</b>         | <b>\$ 65</b>            | <b>\$ 16,217</b> |

| Sector                                | As of December 31, 2010 |                         |                         |                  |
|---------------------------------------|-------------------------|-------------------------|-------------------------|------------------|
|                                       | Amortized Cost          | Unrealized Appreciation | Unrealized Depreciation | Fair Value       |
| United States Government              | \$ 459                  | \$ 229                  | \$ 1                    | \$ 687           |
| States and Local Government           | 2,305                   | 172                     | 10                      | 2,467            |
| Foreign Government                    | 1,095                   | 63                      | 4                       | 1,154            |
| <b>Government</b>                     | <b>3,859</b>            | <b>464</b>              | <b>15</b>               | <b>4,308</b>     |
| Basic Industry                        | 1,329                   | 116                     | 6                       | 1,439            |
| Capital Goods                         | 1,190                   | 103                     | 3                       | 1,290            |
| Communications                        | 493                     | 51                      | -                       | 544              |
| Consumer                              | 1,870                   | 179                     | 10                      | 2,039            |
| Electric and Utility                  | 1,086                   | 89                      | 3                       | 1,172            |
| Energy and Natural Gas                | 1,061                   | 121                     | 2                       | 1,180            |
| Financial                             | 1,575                   | 88                      | 23                      | 1,640            |
| Other                                 | 138                     | 4                       | 2                       | 140              |
| <b>Corporate</b>                      | <b>8,742</b>            | <b>751</b>              | <b>49</b>               | <b>9,444</b>     |
| Collateralized Debt Obligations       | 20                      | -                       | 3                       | 17               |
| Credit Card                           | 3                       | -                       | -                       | 3                |
| Home Equity                           | 2                       | -                       | -                       | 2                |
| Foreign Bank Obligations              | 390                     | 94                      | 7                       | 477              |
| Other                                 | 339                     | 23                      | 2                       | 360              |
| <b>Asset-Backed Securities</b>        | <b>754</b>              | <b>117</b>              | <b>12</b>               | <b>859</b>       |
| Commercial Mortgage-Backed Securities | 80                      | 10                      | 3                       | 87               |
| Collateralized Mortgage Obligations   | 10                      | 1                       | -                       | 11               |
| <b>Total Fixed Maturities</b>         | <b>\$ 13,445</b>        | <b>\$ 1,343</b>         | <b>\$ 79</b>            | <b>\$ 14,709</b> |

**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of December 31, 2011**

(Dollars in millions)

| Geographic Region      | Property Type    |                     |               |               |               |              |                 | Total <sup>(1)</sup> | % of Mortgage Loans |
|------------------------|------------------|---------------------|---------------|---------------|---------------|--------------|-----------------|----------------------|---------------------|
|                        | Office Buildings | Apartment Buildings | Industrial    | Hotels        | Retail        | Other        |                 |                      |                     |
| Massachusetts          | \$ 255           | \$ 127              | \$ 10         | \$ 17         | \$ 15         | \$ -         | \$ 424          | 13%                  |                     |
| Connecticut            | -                | -                   | 7             | -             | 19            | -            | 26              | 1%                   |                     |
| <b>New England</b>     | <b>255</b>       | <b>127</b>          | <b>17</b>     | <b>17</b>     | <b>34</b>     | <b>-</b>     | <b>450</b>      | <b>14%</b>           |                     |
| New York               | 156              | -                   | -             | 46            | -             | 50           | 252             | 8%                   |                     |
| New Jersey             | 102              | -                   | -             | 10            | -             | -            | 112             | 3%                   |                     |
| Pennsylvania           | -                | -                   | -             | 27            | -             | -            | 27              | 1%                   |                     |
| <b>Middle Atlantic</b> | <b>258</b>       | <b>-</b>            | <b>-</b>      | <b>83</b>     | <b>-</b>      | <b>50</b>    | <b>391</b>      | <b>12%</b>           |                     |
| Georgia                | 11               | 93                  | 81            | 30            | 16            | -            | 231             | 7%                   |                     |
| Virginia               | 109              | 30                  | -             | 58            | 22            | -            | 219             | 7%                   |                     |
| Florida                | -                | -                   | 115           | 8             | 47            | -            | 170             | 5%                   |                     |
| South Carolina         | -                | 11                  | 119           | -             | 16            | -            | 146             | 4%                   |                     |
| Other <sup>(2)</sup>   | 54               | 18                  | 32            | -             | -             | -            | 104             | 3%                   |                     |
| <b>South Atlantic</b>  | <b>174</b>       | <b>152</b>          | <b>347</b>    | <b>96</b>     | <b>101</b>    | <b>-</b>     | <b>870</b>      | <b>26%</b>           |                     |
| Texas                  | 66               | 89                  | 2             | 11            | 45            | -            | 213             | 6%                   |                     |
| Tennessee              | -                | -                   | 18            | 46            | 27            | -            | 91              | 3%                   |                     |
| Other <sup>(2)</sup>   | 78               | 12                  | 98            | -             | 19            | -            | 207             | 6%                   |                     |
| <b>Central</b>         | <b>144</b>       | <b>101</b>          | <b>118</b>    | <b>57</b>     | <b>91</b>     | <b>-</b>     | <b>511</b>      | <b>15%</b>           |                     |
| Colorado               | 57               | 55                  | 26            | 42            | -             | -            | 180             | 5%                   |                     |
| Other <sup>(2)</sup>   | -                | -                   | 3             | 4             | -             | -            | 7               | 1%                   |                     |
| <b>Mountain</b>        | <b>57</b>        | <b>55</b>           | <b>29</b>     | <b>46</b>     | <b>-</b>      | <b>-</b>     | <b>187</b>      | <b>6%</b>            |                     |
| California             | 76               | 241                 | 99            | 200           | 60            | 23           | 699             | 21%                  |                     |
| Oregon                 | 35               | -                   | 60            | 43            | -             | -            | 138             | 4%                   |                     |
| Washington             | 15               | 29                  | -             | -             | 11            | -            | 55              | 2%                   |                     |
| <b>Pacific</b>         | <b>126</b>       | <b>270</b>          | <b>159</b>    | <b>243</b>    | <b>71</b>     | <b>23</b>    | <b>892</b>      | <b>27%</b>           |                     |
| <b>Totals</b>          | <b>\$ 1,014</b>  | <b>\$ 705</b>       | <b>\$ 670</b> | <b>\$ 542</b> | <b>\$ 297</b> | <b>\$ 73</b> | <b>\$ 3,301</b> | <b>100%</b>          |                     |
| % of Mortgage Loans    | <b>31%</b>       | <b>21%</b>          | <b>20%</b>    | <b>17%</b>    | <b>9%</b>     | <b>2%</b>    | <b>100%</b>     |                      |                     |

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$336 million and \$383 million as of December 31, 2011 and December 31, 2010, respectively. For more information, please refer to the Investment Assets section in the Management's Discussion and Analysis section of Cigna's Form 10-K for the year ended December 31, 2011 which is expected to be filed on February 23, 2012.

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

**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of December 31, 2011**

(Dollars in millions)

| Loan to Value Ratio <sup>(1)</sup> | Office Buildings | Apartment Buildings | Industrial    | Hotels        | Retail        | Other        | Total           | % of Mortgage Loans |
|------------------------------------|------------------|---------------------|---------------|---------------|---------------|--------------|-----------------|---------------------|
|                                    | 66%              | 69%                 | 79%           | 66%           | 79%           | 47%          | 70%             |                     |
| <b>Origination Years</b>           |                  |                     |               |               |               |              |                 |                     |
| Pre-2007                           | \$ 357           | \$ 523              | \$ 395        | \$ 265        | \$ 187        | \$ 38        | \$ 1,765        | 54%                 |
| 2007                               | 148              | 43                  | -             | 25            | 20            | -            | 236             | 7%                  |
| 2008                               | 145              | 29                  | 70            | 136           | 47            | -            | 427             | 13%                 |
| 2009                               | 97               | -                   | 28            | -             | -             | -            | 125             | 4%                  |
| 2010                               | 90               | 37                  | 74            | 11            | -             | -            | 212             | 6%                  |
| 2011                               | 177              | 73                  | 103           | 105           | 43            | 35           | 536             | 16%                 |
| <b>Totals</b>                      | <b>\$ 1,014</b>  | <b>\$ 705</b>       | <b>\$ 670</b> | <b>\$ 542</b> | <b>\$ 297</b> | <b>\$ 73</b> | <b>\$ 3,301</b> | <b>100%</b>         |

| Loan to Value Distribution <sup>(1)</sup> |                 |               |                 |                     |
|---|-----------------|---------------|-----------------|---------------------|
| Loan to Value Ratios                      | Amortized Cost  |               |                 | % of Mortgage Loans |
|   | Senior          | Subordinated  | Total           |                     |
| Below 50%                                 | \$ 299          | \$ 43         | \$ 342          | 10%                 |
| 50% to 59%                                | 537             | 33            | 570             | 17%                 |
| 60% to 69%                                | 854             | 51            | 905             | 28%                 |
| 70% to 79%                                | 517             | 44            | 561             | 17%                 |
| 80% to 89%                                | 397             | 5             | 402             | 12%                 |
| 90% to 99%                                | 275             | -             | 275             | 8%                  |
| 100% or above                             | 246             | -             | 246             | 8%                  |
| <b>Totals</b>                             | <b>\$ 3,125</b> | <b>\$ 176</b> | <b>\$ 3,301</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 determined as part of an annual review process which was completed in the second quarter of 2011. For more information, please refer to Cigna's Form 10-K for the year ended December 31, 2011 which is expected to be filed on February 23, 2012.

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

(Dollars in millions)

|   | Year Ended December 31, |          |
|---|-------------------------|----------|
|   | 2011                    | 2010     |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                                       |                         |          |
| Net income  | \$ 1,328                | \$ 1,349 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |          |
| Depreciation and amortization   | 345                     | 292      |
| Realized investment gains   | (62)                    | (75)     |
| Deferred income taxes   | 242                     | 190      |
| Gains on sales of businesses (excluding discontinued operations)                  | (25)                    | (13)     |
| Net changes in assets and liabilities, net of non-operating effects:              |                         |          |
| Premiums, accounts and notes receivable   | (50)                    | 62       |
| Reinsurance recoverables  | 19                      | 37       |
| Deferred policy acquisition costs   | (211)                   | (156)    |
| Other assets  | (317)                   | (3)      |
| Insurance liabilities <sup>(1)</sup>  | 154                     | 325      |
| Accounts payable, accrued expenses and other liabilities <sup>(2)</sup>           | 344                     | (272)    |
| Current income taxes  | (246)                   | 2        |
| Other, net  | (30)                    | 5        |
| Net cash provided by operating activities   | 1,491                   | 1,743    |
| Net cash used in investing activities   | (1,270)                 | (1,342)  |
| Net cash provided by financing activities   | 2,867                   | 274      |
| Effect of foreign currency rate changes on cash and cash equivalents              | (3)                     | 6        |
| Net increase in cash and cash equivalents   | 3,085                   | 681      |
| Cash and cash equivalents, beginning of year                                      | 1,605                   | 924      |
| Cash and cash equivalents, end of period  | \$ 4,690                | \$ 1,605 |

(1) Includes pre-tax cash outflows of \$45 million for the year ended December 31, 2011 and pre-tax cash outflows of \$157 million for the year ended December 31, 2010 from futures contracts entered into as part of a dynamic hedge program to manage equity risks in Cigna's run-off reinsurance operations.

(2) Includes pre-tax domestic qualified pension plan contributions of \$250 million for the year ended December 31, 2011 and \$212 million for the year ended December 31, 2010.