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## **CIGNA REPORTS STRONG FIRST QUARTER 2014 RESULTS, RAISES OUTLOOK**

- **Consolidated revenues increased to a total of \$8.5 billion in the first quarter.**
- **Adjusted income from operations<sup>1</sup> was \$501 million, or \$1.83 per share, which represents per share growth of 6% over first quarter 2013.**
- **Shareholders' net income for first quarter was \$528 million, or \$1.92 per share.**
- **Cigna grew its global medical business<sup>2</sup> by 90,000 customers in the first quarter.**
- **Projected adjusted income from operations<sup>1,3</sup> for 2014 is now estimated to be in the range of \$1.93 billion to \$2.0 billion, or \$7.05 to \$7.35 per share.<sup>4</sup>**

**BLOOMFIELD, CT, May 1, 2014** – Cigna Corporation (NYSE: CI) today reported first quarter 2014 results with each of the Company's business segments posting strong revenue and earnings contributions.

Consolidated revenues in the quarter were \$8.5 billion, an increase of 4% over first quarter 2013. Revenues reflect growth in premiums and fees of 3% in Global Health Care, 13% in Global Supplemental Benefits and 7% in Group Disability and Life, primarily driven by continued growth in Cigna's targeted customer segments.

Cigna's adjusted income from operations<sup>1</sup> for the first quarter of 2014 was \$501 million, or \$1.83 per share, compared to \$497 million, or \$1.72 per share, for the first quarter of 2013. Results in the first quarter of 2014 reflect solid revenue growth, disciplined expense management and continued effective medical cost management.

“Our first quarter results represent a strong start to 2014, reflecting continued effective execution of our strategy to deliver improved health outcomes and productivity for our customers and clients,” said David M. Cordani, President and Chief Executive Officer. “Our ability to continue to leverage our differentiated capabilities across our diversified portfolio of businesses provides us with many opportunities for growth in 2014 and over the long term.”

Cigna reported shareholders' net income of \$528 million, or \$1.92 per share, for the first quarter of 2014, compared to \$57 million, or \$0.20 per share, for the first quarter of 2013. Shareholders' net income for the first quarter of 2013 included special items<sup>5</sup> that resulted in after-tax charges of \$558 million, or \$1.93 per share.

## CONSOLIDATED HIGHLIGHTS

The following table includes highlights of results and a reconciliation of adjusted income from operations<sup>1</sup> to shareholders' net income (dollars in millions, except per share amounts; customers in thousands):

	<b>Three Months Ended</b>		
	<b>March 31,</b>	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Total Revenues	\$ 8,496	\$ 8,183	\$ 8,151
<b>Consolidated Earnings</b>			
Adjusted income from operations <sup>1</sup>	\$ 501	\$ 497	\$ 387
Net realized investment gains, net of taxes	27	93	14
GMIB results, net of taxes <sup>6</sup>	-	25	-
Special items, net of taxes <sup>5</sup>	-	(558)	(40)
Shareholders' net income	<u>\$ 528</u>	<u>\$ 57</u>	<u>\$ 361</u>
Adjusted income from operations <sup>1</sup> , per share	<u>\$ 1.83</u>	<u>\$ 1.72</u>	<u>\$ 1.39</u>
Shareholders' net income, per share	<u>\$ 1.92</u>	<u>\$ 0.20</u>	<u>\$ 1.29</u>

	<b>As of the Periods Ended</b>		
	<b>March 31,</b>	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Global Medical Customers (ex. Limited Benefits) <sup>2</sup>	14,168	14,134	14,078

- Cash and short term investments at the parent company were approximately \$475 million at March 31, 2014 and approximately \$760 million at December 31, 2013.
- During the period from February 7, 2014 through April 30, 2014, the Company repurchased approximately 5.4 million shares of stock for approximately \$425 million.
- Year to date, as of April 30, 2014, the Company repurchased approximately 8.0 million shares of stock for approximately \$650 million.

## HIGHLIGHTS OF SEGMENT RESULTS

See Exhibit 2 for a reconciliation of adjusted income (loss) from operations<sup>1</sup> to segment earnings (loss)<sup>1</sup>.

### Global Health Care

This segment includes Cigna's Commercial and Government businesses that deliver medical and specialty health care products and services to domestic and multi-national clients and customers on guaranteed cost, retrospectively experience-rated and administrative services only ("ASO") funding arrangements. Specialty health care includes behavioral, dental, disease and medical management, stop loss, and pharmacy-related products and services.

#### Financial Results (dollars in millions, customers in thousands):

	Three Months Ended		
	March 31,		December 31,
	2014	2013	2013
Premiums and Fees	\$ 5,994	\$ 5,824	\$ 5,723
Adjusted Income from Operations <sup>1</sup>	\$ 439	\$ 427	\$ 318
Adjusted Margin, After-Tax <sup>7</sup>	6.6%	6.7%	5.0%

	As of the Periods Ended		
	March 31,		December 31,
	2014	2013	2013
<u>Customers:</u>			
Commercial (ex. Limited Benefits) <sup>2</sup>	13,685	13,660	13,586
Medicare and Medicaid	483	474	492
Medical (ex. Limited Benefits) <sup>2</sup>	14,168	14,134	14,078
Behavioral Care	22,717	21,977	22,515
Dental <sup>8</sup>	12,628	12,285	12,234
Pharmacy	7,197	6,922	7,095
Medicare Part D	1,241	1,213	1,190

- Global Health Care results reflect continued growth in the Company's targeted customer segments.
- First quarter premiums and fees increased approximately 3% relative to first quarter 2013, driven by Commercial specialty contributions and renewal rate increases, partially offset by the exit of the Limited Benefits business due to ACA regulation, funding mix shift in the Commercial business as well as rate pressure in our Seniors business.
- Adjusted income from operations<sup>1</sup> and adjusted margin, after-tax<sup>7</sup> reflect favorable operating expenses, in part due to timing, and effective medical cost management in both our Commercial Employer and Medicare Advantage businesses. These results include favorable prior year reserve development on an after-tax basis of approximately \$30 million for first quarter 2014, compared to \$48 million for first quarter 2013.
- Global Health Care net medical claims payable<sup>9</sup> was approximately \$1.9 billion at both March 31, 2014 and December 31, 2013.

### Global Supplemental Benefits

This segment includes Cigna's global individual supplemental health, life, and accident insurance business, primarily in Asia, and Medicare supplement coverage in the United States.

#### Financial Results (dollars in millions, policies in thousands):

	<b>Three Months Ended</b>		
	<b>March 31,</b>		<b>December 31,</b>
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Premiums and Fees <sup>10</sup>	\$ 680	\$ 604	\$ 662
Adjusted Income from Operations <sup>1</sup>	\$ 53	\$ 55	\$ 40
Adjusted Margin, After-Tax <sup>7</sup>	7.4%	8.6%	5.8%

  

	<b>As of the Periods Ended</b>		
	<b>March 31,</b>		<b>December 31,</b>
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Policies <sup>10</sup>	12,021	11,586	11,869

- First quarter 2014 premiums and fees grew 13% relative to first quarter 2013, reflecting customer growth across multiple markets.
- Adjusted income from operations<sup>1</sup> and adjusted margin, after-tax<sup>7</sup> reflect the impact of strong customer retention, business growth and effective operating expense management as well as modest claim pressure in South Korea.

### Group Disability and Life

This segment includes Cigna's group disability, life, and accident insurance operations.

#### Financial Results (dollars in millions):

	<b>Three Months Ended</b>		
	<b>March 31,</b>	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Premiums and Fees	\$ 916	\$ 858	\$ 873
Adjusted Income from Operations <sup>1</sup>	\$ 67	\$ 49	\$ 66
Adjusted Margin, After-Tax <sup>7</sup>	6.7%	5.2%	6.9%

- First quarter 2014 results benefited from premium and fee growth of 7% relative to first quarter 2013, due to business growth and strong retention in both disability and life businesses.
- Adjusted income from operations<sup>1</sup> and adjusted margin, after-tax<sup>7</sup> for the first quarter 2014 reflect business growth and lower benefit and operating expense ratios compared to first quarter 2013.

### Corporate & Other Operations

Adjusted income (loss) from operations<sup>1</sup> for Cigna's remaining operations is presented below (dollars in millions):

	<b>Three Months Ended</b>		
	<b>March 31,</b>	<b>December 31,</b>	
	<b>2014</b>	<b>2013</b>	<b>2013</b>
Corporate & Other Operations <sup>6</sup>	\$ (58)	\$ (34)	\$ (37)

- First quarter 2014 results reflect higher operating expenses and a less favorable effective tax rate.

## OUTLOOK

- Cigna's outlook for full year 2014 consolidated adjusted income from operations<sup>1,3</sup> is in the range of \$1.93 billion to \$2.0 billion, or \$7.05 to \$7.35 per share<sup>4</sup>. Cigna's outlook excludes the potential effects of future capital deployment.<sup>4</sup>

(dollars in millions, except where noted and per share amounts)	<b>Full-Year Ended December 31, 2014</b>
<b>Projected Adjusted Income (Loss) from Operations<sup>1,3</sup></b>	
Global Health Care	\$ 1,605 to 1,635
Global Supplemental Benefits	195 to 215
Group Disability and Life	305 to 325
Ongoing Businesses	\$ 2,105 to 2,175
Corporate & Other Operations	\$ (175)
Consolidated Projected Adjusted Income from Operations <sup>1,3</sup>	\$ 1,930 to 2,000
Consolidated Projected Adjusted Income from Operations, per share <sup>1,3</sup>	\$ 7.05 to 7.35
 <b>Projected Global Medical Customer Growth (ex-Limited benefits)<sup>2</sup></b>	 1% to 2%

The foregoing statements represent the Company's current estimates of Cigna's 2014 consolidated and segment adjusted income from operations<sup>1,3</sup> and global medical customer growth as of the date of this release. Actual results may differ materially depending on a number of factors. Investors are urged to read the Cautionary Note Regarding Forward-Looking Statements included in this release. Management does not assume any obligation to update these estimates.

This quarterly earnings release and the Quarterly Financial Supplement are available on Cigna's website in the Investor Relations section (<http://www.cigna.com/aboutcigna/investors>). A link to the conference call, during which management will review first quarter 2014 results and discuss full year 2014 outlook, is available in the Investor Relations section of Cigna's website located at <http://www.cigna.com/cignadotcom/aboutcigna/investors/events/index.page>.

## Notes:

1. Adjusted income (loss) from operations is defined as segment earnings (loss) excluding (i) special items (which are identified and quantified in Exhibit 2 to this release) and (ii) the results of Cigna's Guaranteed Minimum Income Benefits (GMIB) business. Segment earnings (loss) is defined as shareholders' net income (loss) before net realized investment results.

Adjusted income (loss) from operations is a measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income. This measure is not determined in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be viewed as a substitute for the most directly comparable GAAP measures, which are segment earnings (loss) on a segment basis and shareholders' net income on a consolidated basis; see Exhibit 2 for reconciliations of the non-GAAP measures to the most directly comparable GAAP measures.

2. In connection with U.S. health care reform legislation, the Company ceased offering Limited Medical Benefits products effective December 31, 2013. Therefore, the Company's medical customer growth expectations for 2014 exclude these products from the 2013 customer numbers. As of March 31, 2013 and December 31, 2013, there were 188,000 and 139,000 customers enrolled in these products, respectively.
3. Management is unable to provide a forward-looking reconciliation of adjusted income from operations to shareholders' net income for full year 2014 since future net realized investment results and special items cannot be identified or reasonably estimated at this time.
4. The Company may repurchase shares of its common stock from time to time. The Company's outlook excludes the potential effects of any share repurchases that may occur after the date of this release.
5. Special items are included in shareholders' net income and segment earnings (loss), but excluded from adjusted income (loss) from operations. Special items are identified on Exhibit 2 to this earnings release.
6. The GMIB business and Guaranteed Minimum Death Benefits business, also known as Variable Annuity Death Benefits (VADBe), have been in run-off since 2000. Cigna entered into a definitive agreement with Berkshire Hathaway to exit the GMIB and VADBe businesses, effective February 4, 2013.

Prior to first quarter of 2014, the GMIB and VADBe businesses were reported within the Runoff Reinsurance segment. Beginning with the first quarter of 2014, Cigna reports its run-off reinsurance business in Other Operations. In addition, in this earnings release, Other Operations and Corporate have been combined under the heading "Corporate and Other Operations." Prior year information has been conformed to the current presentation.

7. Adjusted margin, after-tax, is calculated by dividing segment earnings (loss) excluding special items by segment revenues. Segment margin is calculated by dividing segment earnings (loss) by segment revenue. For the three months ended March 31, 2014 segment margins were equal to adjusted margins. For the three months ended December 31, 2013 and March 31, 2013, segment margins were 4.5% and 6.7% for Global Health Care, respectively, 4.6% and 8.6% for Global Supplemental Benefits, respectively, and 6.8% and -0.2% for Group Disability and Life, respectively.
8. Prior period dental membership has been revised to conform to current presentation.
9. Global Health Care medical claims payable are presented net of reinsurance and other recoverables. The gross Global Health Care medical claims payable balance was \$2,151 million as of March 31, 2014 and \$2,050 million as of December 31, 2013.
10. Cigna owns a 50% noncontrolling interest in its China joint venture. Cigna's 50% share of the joint venture's earnings is reported in Other Revenues using the equity method of accounting under GAAP. As such, the

**premiums and fees and policy counts for the Global Supplemental Benefits segment do not include the China joint venture.**

### **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This press release, and oral statements made with respect to information contained in this release, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are based on Cigna's current expectations and projections about future trends, events and uncertainties. These statements are not historical facts. Forward-looking statements may include, among others, statements concerning our projected adjusted income (loss) from operations outlook for 2014, on both a consolidated and segment basis; projected global medical customer growth (excluding limited benefits) over year end 2013; future financial or operating performance, including our ability to deliver improved health outcomes and productivity for our customers and clients and future growth, business strategy, strategic or operational initiatives; economic, regulatory or competitive environments, particularly with respect to the pace and extent of change in these areas; and financing or capital deployment plans, including whether and to what extent we may engage in share repurchases. You may identify forward-looking statements by the use of words such as "believe," "expect," "plan," "intend," "anticipate," "estimate," "predict," "potential," "may," "should," "will" or other words or expressions of similar meaning, although not all forward-looking statements contain such terms.

Forward-looking statements are subject to risks and uncertainties, both known and unknown, that could cause actual results to differ materially from those expressed or implied in forward-looking statements. Such risks and uncertainties include, but are not limited to: our ability to achieve our financial, strategic and operational plans or initiatives; our ability to predict and manage medical costs and price effectively and develop and maintain good relationships with physicians, hospitals and other health care providers; our ability to realize the expected benefits of strategic transactions and/or acquisitions; the substantial level of government regulation over our business and the potential effects of new laws or regulations, or changes in existing laws or regulations; the outcome of litigation, regulatory audits, investigations and actions and/or guaranty fund assessments; uncertainties surrounding participation in government-sponsored programs such as Medicare; and unfavorable industry, economic or political conditions, as well as more specific risks and uncertainties discussed in our most recent report on Form 10-K and subsequent reports on Forms 10-Q and 8-K available on the Investor Relations section of [www.cigna.com](http://www.cigna.com). You should not place undue reliance on forward-looking statements, which speak only as of the date they are made, are not guarantees of future performance or results, and are subject to risks, uncertainties and assumptions that are difficult to predict or quantify. Cigna undertakes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as may be required by law.



**CIGNA CORPORATION**  
**COMPARATIVE SUMMARY OF FINANCIAL RESULTS (unaudited)**

Exhibit 1

(Dollars in millions, except per share amounts)

	Three Months Ended March 31,	
	2014	2013
<b>REVENUES</b>		
Premiums and fees	\$ 7,616	\$ 7,314
Net investment income	277	287
Mail order pharmacy revenues	495	425
Other revenues (1)	66	18
Total operating revenues	8,454	8,044
Net realized investment gains	42	139
<b>Total</b>	<b>\$ 8,496</b>	<b>\$ 8,183</b>
<b>ADJUSTED INCOME (LOSS) FROM OPERATIONS (2)</b>		
Global Health Care	\$ 439	\$ 427
Global Supplemental Benefits	53	55
Group Disability and Life	67	49
Ongoing Operations	559	531
Corporate and Other	(58)	(34)
<b>Total</b>	<b>\$ 501</b>	<b>\$ 497</b>
<b>SHAREHOLDERS' NET INCOME</b>		
<b><u>Segment Earnings (Loss) (2)</u></b>		
Global Health Care	\$ 439	\$ 427
Global Supplemental Benefits	53	55
Group Disability and Life	67	(2)
Ongoing Operations	559	480
Corporate and Other	(58)	(516)
<b>Total</b>	<b>501</b>	<b>(36)</b>
Net realized investment gains, net of taxes	27	93
<b>Shareholders' net income</b>	<b>\$ 528</b>	<b>\$ 57</b>
<b>DILUTED EARNINGS PER SHARE</b>		
Adjusted income from operations (2)	\$ 1.83	\$ 1.72
Results of guaranteed minimum income benefits business, after-tax	-	0.09
Net realized investment gains, net of taxes	0.09	0.32
Special items, after-tax	-	(1.93)
<b>Shareholders' net income</b>	<b>\$ 1.92</b>	<b>\$ 0.20</b>
Weighted average shares (in thousands)	274,467	289,258
<b>SHAREHOLDERS' EQUITY at March 31,</b>	<b>\$ 10,556</b>	<b>\$ 9,660</b>
<b>SHAREHOLDERS' EQUITY PER SHARE at March 31,</b>	<b>\$ 39.28</b>	<b>\$ 33.79</b>

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

(1) Includes pre-tax futures and swaps contracts associated with the dynamic hedge program that was terminated after February 4, 2013 as a result of Cigna's agreement with Berkshire Hathaway in which Cigna effectively exited the Run-off Reinsurance business.

(2) Adjusted income (loss) from operations is defined as segment earnings excluding special items (identified and quantified on Exhibit 2) and results of Cigna's guaranteed minimum income benefits business. Segment earnings (loss) is defined as shareholders' net income (loss) before net realized investment gains (losses).

**CIGNA CORPORATION**

**RECONCILIATION OF ADJUSTED INCOME (LOSS) FROM OPERATIONS TO SHAREHOLDERS' NET INCOME**

**Exhibit 2**

*(Dollars in millions, except per share amounts)*

	Diluted Earnings Per Share			Consolidated			Global Health Care			Global Supplemental Benefits			Group Disability and Life			Corporate and Other		
	1Q14	1Q13	4Q13	1Q14	1Q13	4Q13	1Q14	1Q13	4Q13	1Q14	1Q13	4Q13	1Q14	1Q13	4Q13	1Q14	1Q13	4Q13
Adjusted income (loss) from operations	\$ 1.83	\$ 1.72	\$ 1.39	\$ 501	\$ 497	\$ 387	\$ 439	\$ 427	\$ 318	\$ 53	\$ 55	\$ 40	\$ 67	\$ 49	\$ 66	\$ (58)	\$ (34)	\$ (37)
Results of guaranteed minimum income benefits business	-	0.09	-	-	25	-	-	-	-	-	-	-	-	-	-	-	25	-
Special items, after-tax:																		
Charge related to reinsurance transaction	-	(1.75)	-	-	(507)	-	-	-	-	-	-	-	-	-	-	-	(507)	-
Charge for disability claims regulatory matter	-	(0.18)	-	-	(51)	-	-	-	-	-	-	-	-	(51)	-	-	-	-
Charges for organization efficiency plans	-	-	(0.15)	-	-	(40)	-	-	(31)	-	-	(8)	-	-	(1)	-	-	-
Segment earnings (loss)	1.83	(0.12)	1.24	501	(36)	347	\$ 439	\$ 427	\$ 287	\$ 53	\$ 55	\$ 32	\$ 67	\$ (2)	\$ 65	\$ (58)	\$ (516)	\$ (37)
Net realized investment gains, net of taxes	0.09	0.32	0.05	27	93	14												
Shareholders' net income	\$ 1.92	\$ 0.20	\$ 1.29	\$ 528	\$ 57	\$ 361												
Special items, pre-tax:																		
Charge related to reinsurance transaction				\$ -	\$ (781)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (781)	\$ -
Charge for disability claims regulatory matter				-	(77)	-	-	-	-	-	-	-	-	(77)	-	-	-	-
Charges for organization efficiency plans				-	-	(60)	-	-	(47)	-	-	(11)	-	-	(2)	-	-	-
				\$ -	\$ (858)	\$ (60)	\$ -	\$ -	\$ (47)	\$ -	\$ -	\$ (11)	\$ -	\$ (77)	\$ (2)	\$ -	\$ (781)	\$ -