

# **Cigna Corporation**

## **Quarterly Financial Supplement March 31, 2015**

*This document is dated April 30, 2015. The data contained in this document may not be accurate after such date and Cigna does not undertake to update or keep it accurate after such date.*



**Cigna Corporation**  
**March 31, 2015 Quarterly Financial Supplement**  
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**BASIS OF PRESENTATION:**

*All dollar amounts are in millions, unless otherwise noted.*

*Cigna measures the financial results of its segments using adjusted income from operations. Effective January 1, 2015, adjusted income from operations is defined as shareholders' net income excluding the following after-tax adjustments: realized investment results; amortization of other acquired intangible assets; and special items (identified and quantified on page 2). Prior year amounts have been adjusted for the exclusion of amortization of other acquired intangible assets. Operating revenues exclude net realized investment results. Adjusted income (loss) from operations and operating revenues are measures of results used by Cigna's management because they present the underlying results of operations of Cigna's businesses and permit analysis of trends in underlying revenue, expenses and profitability.*

*Adjusted income (loss) from operations on a consolidated basis and operating revenues are not determined in accordance with accounting principles generally accepted in the United States of America (GAAP) and should not be viewed as substitutes for the most directly comparable GAAP measures, which are shareholders' net income (loss) and total revenues.*

*In some financial tables in this Quarterly Financial Supplement, we present percentage changes. When those changes are so large as to become not meaningful, we present "N/M" in place of the computed percentage.*

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

(Dollars in millions, except per share amounts)

Three Months Ended March 31,  
2015                      2014                      % Change

**REVENUES**

**Operating Revenues**

Global Health Care	\$ 7,446	\$ 6,619	12 %
Global Supplemental Benefits	769	716	7
Group Disability and Life	1,059	996	6
Corporate and Other	120	123	(2)
Total operating revenue	9,394	8,454	11
Net realized investment gains	73	42	74
Total revenues	\$ 9,467	\$ 8,496	11 %

**SHAREHOLDERS' NET INCOME**

**Adjusted Income (Loss) From Operations**

Global Health Care	\$ 444	\$ 467	(5) %
Global Supplemental Benefits	69	57	21
Group Disability and Life	51	67	(24)
Ongoing operations	564	591	(5)
Corporate and Other	(51)	(58)	12
Total	513	533	(4)
After-tax adjustments to reconcile to shareholders' net income:			
Realized investment gains	48	27	
Amortization of other acquired intangible assets	(28)	(32)	
Shareholders' net income	\$ 533	\$ 528	1 %

Diluted earnings per share:

Adjusted income from operations	\$ 1.96	\$ 1.94	1 %
Shareholders' net income	\$ 2.04	\$ 1.92	6 %

Adjusted income from operations, excluding interest, taxes, depreciation and amortization

\$ 1,000	\$ 1,027	(3) %
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**CUSTOMER RELATIONSHIPS**

(Relationships, lives and policies in thousands)

	As of March 31,			As of December 31,	
	2015	2014	% Change	2014	% Change
<b>Global Health Care Medical Customers:</b> (see page 7)	14,654	14,168	3 %	14,456	1 %
<b>Other Customer Relationships:</b> (see page 7)					
Behavioral care	23,865	22,717	5	23,853	-
Dental	13,674	13,284	3	13,524	1
Pharmacy	7,909	7,197	10	7,542	5
Medicare Part D	1,468	1,241	18	1,188	24
Global Supplemental Benefits Policies (see page 9)	12,528	12,021	4	12,342	2
Group Disability and Life covered lives (estimated)	14,200	13,600	4	14,200	-
Total customer relationships	88,298	84,228	5 %	87,105	1 %

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

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

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>Three Months Ended March 31,</b>												
Adjusted income (loss) from operations	\$ 1.96	\$ 1.94	\$ 513	\$ 533	\$ 444	\$ 467	\$ 69	\$ 57	\$ 51	\$ 67	\$ (51)	\$ (58)
After-tax adjustments to reconcile to shareholders' net income:												
Realized investment gains (losses)	0.18	0.10	48	27	32	11	3	-	14	7	(1)	9
Amortization of other acquired intangible assets	(0.10)	(0.12)	(28)	(32)	(23)	(28)	(5)	(4)	-	-	-	-
Shareholders' net income	\$ 2.04	\$ 1.92	\$ 533	\$ 528	\$ 453	\$ 450	\$ 67	\$ 53	\$ 65	\$ 74	\$ (52)	\$ (49)
Weighted average shares (in thousands)	261,246	274,467										
Common shares outstanding as of March 31, (in thousands)	257,724	268,717										

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

(Dollars in millions)

	Three Months Ended March 31,		
	2015	2014	% Change
<b>Revenues:</b>			
Premiums	\$ 7,402	\$ 6,676	11 %
Fees	1,066	940	13
Net investment income	276	277	-
Mail order pharmacy revenues	578	495	17
Other revenues	<u>72</u>	<u>66</u>	9
Total operating revenues	9,394	8,454	11
Net realized investment gains	<u>73</u>	<u>42</u>	74
Total revenues	<u>9,467</u>	<u>8,496</u>	11
<b>Benefits and Expenses:</b>			
Global Health Care medical costs	4,604	4,031	14
Other benefit expenses	1,269	1,166	9
Mail order pharmacy costs	492	414	19
Operating expenses	2,031	1,815	12
Depreciation and amortization:			
Amortization of other acquired intangible assets	44	52	(15)
Depreciation and other amortization	<u>107</u>	<u>98</u>	9
Total depreciation and amortization	151	150	1
Interest expense	<u>66</u>	<u>67</u>	(1)
Total benefits and expenses	<u>8,613</u>	<u>7,643</u>	13
Income before income taxes	<u>854</u>	<u>853</u>	-
Income taxes:			
Current	308	310	(1)
Deferred	<u>15</u>	<u>14</u>	7
Total taxes	323	324	-
<b>Net income</b>	531	529	-
<b>Less: net income (loss) attributable to noncontrolling interests</b>	(2)	1	(300)
<b>Shareholders' net income</b>	\$ 533	\$ 528	1 %

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

<i>(Dollars in millions)</i>	Three Months Ended March 31,		
	2015	2014	% Change
<b>Revenues:</b>			
Premiums	\$ 5,691	\$ 5,082	12 %
Fees	1,038	912	14
Net investment income	75	73	3
Mail order pharmacy revenues	578	495	17
Other revenues	<u>64</u>	<u>57</u>	12
Operating revenues	7,446	6,619	12
Net realized investment gains	<u>49</u>	<u>17</u>	188
Total revenues	<u>7,495</u>	<u>6,636</u>	13
<b>Benefits and Expenses:</b>			
Global Health Care medical costs	4,604	4,031	14
Mail order pharmacy costs	492	414	19
Operating expenses	1,615	1,404	15
Amortization of other acquired intangible assets	<u>36</u>	<u>44</u>	(18)
Benefits and expenses	<u>6,747</u>	<u>5,893</u>	14
Income before income taxes	748	743	1
Income taxes	<u>295</u>	<u>293</u>	1
Shareholders' net income from Global Health Care	453	450	1
After-tax adjustments to reconcile to adjusted income from operations:			
Realized investment (gains)	(32)	(11)	
Amortization of other acquired intangible assets	<u>23</u>	<u>28</u>	
<b>Adjusted income from operations</b>	<b>\$ 444</b>	<b>\$ 467</b>	<b>(5) %</b>

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

(Dollars in millions)	Three Months Ended March 31,			% Change
	2015	2014		
Premiums:				
Guaranteed cost	\$ 1,157	\$ 1,068		8 %
Experience-rated <sup>(1)</sup>	564	563		-
Stop loss	655	550		19
International health care	470	456		3
Dental	340	298		14
Medicare	1,561	1,429		9
Medicaid	246	81		204
Medicare Part D	483	436		11
Other	215	201		7
Total Premiums	5,691	5,082		12
Fees, including international health care	1,038	912		14
Premiums and Fees	6,729	5,994		12
Net investment income	75	73		3
Mail order pharmacy revenues <sup>(2)</sup>	578	495		17
Other revenues <sup>(3)</sup>	64	57		12
<b>Operating revenues</b>	<b>\$ 7,446</b>	<b>\$ 6,619</b>		<b>12 %</b>

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

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

(3) Includes non-risk revenues for direct channel specialty products and revenues for management services provided to independent physician associations and health plans.

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

RATIOS:	Three Months Ended March 31,				Change Favorable (Unfavorable)
	2015		2014		
<u>Medical Care Ratios:</u>					
Commercial	75.2	%	74.8	%	(0.4)
Government	89.4	%	86.5	%	(2.9)
Consolidated Global Health Care	80.9	%	79.3	%	(1.6)
Operating Expense ratio <sup>(1)</sup>	21.7	%	21.2	%	(0.5)

(1) Excludes amortization of other acquired intangible assets.

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

(Dollars in millions)	Three Months Ended March 31,			
	2015		2014	
Health insurance industry tax	\$	79	\$	60
Reinsurance fee		19		27
Other fees		4		2
Total PPACA-related taxes and fees	\$	102	\$	89

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



**Cigna Corporation  
Global Health Care**

**Estimated Covered Lives (unaudited)**

COVERED LIVES BY FUNDING TYPE:	As of March 31,			COVERED LIVES BY MARKET SEGMENT: <sup>(5)</sup>	As of March 31,		
	2015	2014	% Change		2015	2014 <sup>(6)</sup>	% Change
<i>(Lives in thousands)</i>				<i>(Lives in thousands)</i>			
<b>Medical customers: <sup>(1)</sup></b>				<b>Medical customers: <sup>(1)</sup></b>			
Commercial risk:				U.S. Commercial:			
U.S. Guaranteed cost	880	911	(3) %	National Accounts	3,720	3,848	(3) %
U.S. Experience-rated <sup>(2)</sup>	838	803	4	Middle Market	7,680	7,310	5
International health care - risk	787	746	5	Select	1,146	1,001	14
Total commercial risk <sup>(2)</sup>	2,505	2,460	2	Individual	235	264	(11)
				Small	2	3	(33)
Medicare	489	458	7	Total U.S. Commercial	12,783	12,426	3
Medicaid	66	25	164	International	1,316	1,259	5
Total risk	3,060	2,943	4	Total Commercial	14,099	13,685	3
				Medicare	489	458	7
				Medicaid	66	25	164
				Total Government	555	483	15
Total service, including international health care	11,594	11,225	3				
<b>Total medical customers</b>	<b>14,654</b>	<b>14,168</b>	<b>3 %</b>	<b>Total medical customers</b>	<b>14,654</b>	<b>14,168</b>	<b>3 %</b>
<b>Other Customer Relationships:</b>							
Behavioral care <sup>(3)</sup>	23,865	22,717	5 %				
Dental <sup>(3)</sup>	13,674	13,284	3 %				
Pharmacy <sup>(3)</sup>	7,909	7,197	10 %				
Medicare Part D <sup>(4)</sup>	1,468	1,241	18 %				

(1) Includes individuals who meet any one of the following criteria: are covered under an insurance policy, managed care arrangement, or service agreement issued by Cigna; have access to Cigna's provider network for covered services under their medical plan; or have medical claims that are administered by Cigna.

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

(3) Reflects customer relationships with Cigna's dental, managed pharmacy, or behavioral care programs. These customers may also be medical customers, or they may have stand-alone dental, managed pharmacy, or behavioral care coverage. Behavioral customer relationships exclude certain wellness programs. Prior year dental membership has been revised to conform to current presentation.

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

(5) Market Segments are defined as follows:

- the National Accounts market segment includes multi-state employers with more than 5,000 U.S. based, full-time employees in more than one state
- the Middle Market segment includes employers with more than 250 but fewer than 5,000 U.S. based, full-time employees, single-site employers with more than 5,000 employees, Taft Hartley plans, and other third party payers;
- the Select market segment includes employers with more than 50 but fewer than 250 eligible employees;
- the Individual market segment includes individuals in twelve states as of March 31, 2015: Arizona, California, Colorado, Connecticut, Florida, Georgia, Maryland, Missouri, North Carolina, South Carolina, Tennessee and Texas.
- the Small market segment includes employers with 2-50 employees. Cigna has made a strategic business decision to exit this Market Segment.
- the International health care segment is focused on health care products and services to meet the needs of local and multinational companies and organizations and their local and globally mobile employees and dependents.
- the Government market segment offers Medicare Advantage (both to individuals who are post-65 retirees, as well as employer group sponsored pre- and post-65 retirees), Prescription Drug Program, and Medicaid products as managed care alternatives to publicly funded healthcare programs.

(6) Prior year lives have been reclassified to reflect market segment transfers resulting primarily from increased/decreased enrollment at the account level.

**Cigna Corporation**  
**Global Supplemental Benefits**  
**Segment Results (unaudited)**

	Three Months Ended March 31,		
	2015	2014	% Change
<i>(Dollars in millions)</i>			
<b>Revenues:</b>			
Premiums	\$ 729	\$ 674	8 %
Fees	6	6	-
Net investment income	26	26	-
Other revenues	8	10	(20)
Operating revenues	769	716	7
Net realized investment gains	3	-	N/M
Total revenues	772	716	8
<b>Benefits and Expenses:</b>			
Benefit expenses	409	360	14
Operating expenses <sup>(1)</sup>	275	280	(2)
Amortization of other acquired intangible assets	8	8	-
Benefits and expenses	692	648	7
Income before income taxes	80	68	18
Income taxes	15	14	7
Income (loss) attributable to noncontrolling interests	(2)	1	(300)
Shareholders' net income from Global Supplemental Benefits	67	53	26
After-tax adjustments to reconcile to adjusted income from operations:			
Realized investment (gains)	(3)	-	
Amortization of other acquired intangible assets	5	4	
<b>Adjusted income from operations</b>	<b>\$ 69</b>	<b>\$ 57</b>	<b>21 %</b>

(1) Operating expenses include policy acquisition expenses of \$144 million for the three months ended March 31, 2015 and \$160 million for the three months ended March 31, 2014.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2014 amounts are presented using 2015 actual exchange rates:

	Three Months Ended March 31,		
	2015	2014	% Change
<i>(Dollars in millions)</i>			
<b>Excluding the Effect of Foreign Currency Movements:</b>			
Premiums and fees	\$ 735	\$ 655	12 %
Adjusted income from operations	\$ 69	\$ 55	25 %

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

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended March 31,			% Change
	2015	2014		
Korea	\$ 377	\$ 354	6	%
U.S.	118	87	36	
Taiwan	68	67	1	
UK	51	52	(2)	
Turkey	22	22	-	
Other	99	98	1	
<b>Total <sup>(1)</sup></b>	<b>\$ 735</b>	<b>\$ 680</b>	<b>8</b>	<b>%</b>
China Joint Venture <sup>(1)</sup>	\$ 138	\$ 114	21	%

NUMBER OF POLICIES:	As of March 31,			% Change
	2015	2014		
Global Supplemental Benefits Policies	12,528	12,021	4	%
China Joint Venture <sup>(1)</sup>	1,276	1,112	15	%

(1) Cigna owns a 50% noncontrolling interest in its China Joint Venture. Cigna's 50% share of the joint venture's earnings is reported in Other Revenues using the equity method of accounting under GAAP. As such, the premiums and fees and policy counts from the China Joint Venture are not included in Premiums and Fees By Geography or Number of Policies. For informational purposes, the China Joint Venture premiums and fees and policy counts are presented above as if Cigna consolidated the joint venture.

**Cigna Corporation**  
**Group Disability and Life**  
**Segment Results (unaudited)**

(Dollars in millions)

Three Months Ended March 31,  
2015                      2014

% Change

**Revenues:**

Premiums:

Life	\$ 444	\$ 408	9 %
Disability	448	423	6
Other	<u>62</u>	<u>63</u>	(2)
Total premiums	954	894	7

Fees	22	22	-
Net investment income	83	81	2
Other revenues	<u>-</u>	<u>(1)</u>	(100)
Operating revenues	1,059	996	6
Net realized investment gains	<u>22</u>	<u>11</u>	100
Total revenues	<u>1,081</u>	<u>1,007</u>	7

**Benefits and Expenses:**

Benefit expenses	772	710	9
Operating expenses	<u>213</u>	<u>190</u>	12
Benefits and expenses	<u>985</u>	<u>900</u>	9
Income before income taxes	96	107	(10)
Income tax expense	31	33	(6)

Shareholders' net income from Group Disability and Life	65	74	(12)
After-tax adjustments to reconcile to adjusted income from operations:			
Realized investment (gains)	<u>(14)</u>	<u>(7)</u>	

<b>Adjusted income from operations</b>	<b>\$ 51</b>	<b>\$ 67</b>	<b>(24) %</b>
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**Cigna Corporation**  
**Corporate and Other <sup>(1)</sup>**  
**Segment Results (unaudited)**

<i>(Dollars in millions)</i>	Three Months Ended March 31,		
	2015	2014	% Change
<b>Revenues:</b>			
Premiums	\$ 28	\$ 26	8 %
Net investment income	<u>92</u>	<u>97</u>	(5)
Operating revenues	120	123	(2)
Net realized investment gains (losses)	<u>(1)</u>	<u>14</u>	(107)
Total revenues	<u>119</u>	<u>137</u>	(13)
<b>Benefits and Expenses:</b>			
Benefit expenses	88	96	(8)
Operating expenses <sup>(2)</sup>	<u>101</u>	<u>106</u>	(5)
Benefits and expenses	<u>189</u>	<u>202</u>	(6)
Loss before income taxes	(70)	(65)	(8)
Income taxes	(18)	(16)	(13)
Shareholders' net loss from Corporate and Other Operations	(52)	(49)	(6)
After-tax adjustments to reconcile to adjusted loss from operations:			
Realized investment (gains) losses	1	(9)	
<b>Adjusted loss from operations</b>	<b>\$ (51)</b>	<b>\$ (58)</b>	<b>12 %</b>

(1) In this Quarterly Financial Supplement, Other Operations and Corporate are combined under the heading "Corporate and Other."

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

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

(Dollars in millions)

	As of March 31, 2015 (Unaudited)	As of December 31, 2014		As of March 31, 2015 (Unaudited)	As of December 31, 2014
<b>Assets</b>					
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$17,252 and \$17,278)	\$ 19,141	\$ 18,983	Contractholder deposit funds	\$ 8,452	\$ 8,430
Equity securities, at fair value (cost, \$187 and \$199)	182	189	Future policy benefits	9,702	9,642
Commercial mortgage loans (see pages 15 and 16)	2,010	2,081	Unpaid claims and claim expenses	4,581	4,400
Policy loans	1,430	1,438	Global Health Care medical costs payable	2,408	2,180
Other long-term investments	1,473	1,488	Unearned premiums	634	621
Short-term investments	172	163	Total insurance and contractholder liabilities	25,777	25,273
Total investments	24,408	24,342	Accounts payable, accrued expenses and other liabilities	6,851	6,264
Cash and cash equivalents	2,620	1,420	Short-term debt	999	147
Premiums, accounts and notes receivable, net	3,309	2,757	Long-term debt	5,062	5,005
Reinsurance recoverables <sup>(1)</sup>	7,098	7,080	Separate account liabilities	8,392	8,328
Deferred policy acquisition costs	1,554	1,502	Total liabilities	47,081	45,017
Property and equipment	1,486	1,502	Redeemable noncontrolling interests	83	90
Deferred income taxes, net	241	293	<b>Shareholders' Equity</b>		
Goodwill	6,029	5,989	Common stock	74	74
Other assets, including other intangibles <sup>(2)</sup>	2,985	2,683	Additional paid-in capital	2,823	2,769
Separate account assets	8,392	8,328	Accumulated other comprehensive loss	(934)	(936)
			Retained earnings	10,635	10,289
			Less treasury stock, at cost	(1,656)	(1,422)
			Total shareholders' equity	10,942	10,774
			Noncontrolling interest	16	15
			Total equity	10,958	10,789
<b>Total assets</b>	<b>\$ 58,122</b>	<b>\$ 55,896</b>	<b>Total liabilities and equity</b>	<b>\$ 58,122</b>	<b>\$ 55,896</b>

(1) Includes \$6.0 billion as of March 31, 2015 and \$6.1 billion as of December 31, 2014 related to: 1) the sale of Cigna's Individual Life & Annuity business in 1998 and Cigna's Retirement Benefits business in 2004, which were primarily in the form of reinsurance arrangements; and 2) the reinsurance transaction with Berkshire in 2013. Corresponding liabilities are primarily reported in Contractholder deposit funds and Future policy benefits.

(2) Includes recoverables of \$1.0 billion as of March 31, 2015 and December 31, 2014 related to the GMIB liability.

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

(Dollars in millions)

Sector	As of March 31, 2015				As of December 31, 2014			
	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities
United States Government	\$ 923	\$ -	\$ 923	5%	\$ 954	\$ -	\$ 954	5%
States and Local Government	1,832	-	1,832	10%	1,856	-	1,856	10%
Foreign Government	1,889	67	1,956	10%	1,872	68	1,940	10%
Government	4,644	67	4,711	25%	4,682	68	4,750	25%
Basic Industry	1,475	928	2,403	12%	1,410	860	2,270	12%
Capital Goods	618	1,076	1,694	9%	751	1,035	1,786	9%
Communications	828	25	853	4%	858	25	883	5%
Consumer	1,797	1,118	2,915	15%	1,739	1,123	2,862	15%
Electric and Utility	849	950	1,799	9%	1,091	916	2,007	11%
Energy and Natural Gas	859	643	1,502	8%	798	653	1,451	8%
Financial	1,796	513	2,309	12%	1,475	512	1,987	10%
Other	151	95	246	1%	158	94	252	1%
Corporate	8,373	5,348	13,721	70%	8,280	5,218	13,498	71%
Mortgage-Backed	63	1	64	0%	84	1	85	0%
Foreign Bank Obligations	-	339	339	2%	-	334	334	2%
Other Asset-Backed	65	241	306	3%	64	252	316	2%
Mortgage and other asset-backed	128	581	709	5%	148	587	735	4%
<b>Total Fixed Maturities <sup>(2)</sup></b>	<b>\$ 13,145</b>	<b>\$ 5,996</b>	<b>\$ 19,141</b>	<b>100%</b>	<b>\$ 13,110</b>	<b>\$ 5,873</b>	<b>\$ 18,983</b>	<b>100%</b>
% of Fixed Maturities	69%	31%	100%		69%	31%	100%	

(1) 90% of fixed maturities were investment grade as of March 31, 2015 and December 31, 2014. The remaining fixed maturities were below investment grade holdings and invested mainly in corporate debt, split relatively evenly between public and private placements.

(2) Problem and potential problem bonds at amortized cost, net of impairments were \$13 million as of March 31, 2015 and December 31, 2014. For more information, please refer to Cigna's Form 10-Q for the period ended March 31, 2015 expected to be filed on April 30, 2015.

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

(Dollars in millions)

Sector	As of March 31, 2015			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 568	\$ 355	\$ -	\$ 923
State and Local Government	1,662	172	2	1,832
Foreign Government	1,807	153	4	1,956
<b>Government</b>	<b>4,037</b>	<b>680</b>	<b>6</b>	<b>4,711</b>
Basic Industry	2,226	200	23	2,403
Capital Goods	1,543	154	3	1,694
Communications	788	65	-	853
Consumer	2,682	235	2	2,915
Electric and Utility	1,599	204	4	1,799
Energy and Natural Gas	1,391	116	5	1,502
Financial	2,135	174	-	2,309
Other	236	11	1	246
<b>Corporate</b>	<b>12,600</b>	<b>1,159</b>	<b>38</b>	<b>13,721</b>
Mortgage-Backed	62	3	1	64
Foreign Bank Obligations	266	73	-	339
Other Asset-Backed	287	21	2	306
<b>Mortgage and other asset-backed</b>	<b>615</b>	<b>97</b>	<b>3</b>	<b>709</b>
<b>Total Fixed Maturities</b>	<b>\$ 17,252</b>	<b>\$ 1,936</b>	<b>\$ 47</b>	<b>\$ 19,141</b>

Sector	As of December 31, 2014			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 608	\$ 346	\$ -	\$ 954
State and Local Government	1,682	176	2	1,856
Foreign Government	1,824	121	5	1,940
<b>Government</b>	<b>4,114</b>	<b>643</b>	<b>7</b>	<b>4,750</b>
Basic Industry	2,110	179	19	2,270
Capital Goods	1,647	140	1	1,786
Communications	830	54	1	883
Consumer	2,662	203	3	2,862
Electric and Utility	1,835	174	2	2,007
Energy and Natural Gas	1,353	103	5	1,451
Financial	1,835	153	1	1,987
Other	245	8	1	252
<b>Corporate</b>	<b>12,517</b>	<b>1,014</b>	<b>33</b>	<b>13,498</b>
Mortgage-Backed	83	3	1	85
Foreign Bank Obligations	266	69	1	334
Other Asset-Backed	298	18	-	316
<b>Mortgage and other asset-backed</b>	<b>647</b>	<b>87</b>	<b>2</b>	<b>735</b>
<b>Total Fixed Maturities</b>	<b>\$ 17,278</b>	<b>\$ 1,747</b>	<b>\$ 42</b>	<b>\$ 18,983</b>



**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of March 31, 2015**

(Dollars in millions)

Geographic Region	Property Type							Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 122	\$ 57	\$ 12	\$ 61	\$ -	\$ -	\$ 252	13%	
Other <sup>(2)</sup>	-	-	7	-	17	-	24	1%	
<b>New England</b>	<b>122</b>	<b>57</b>	<b>19</b>	<b>61</b>	<b>17</b>	<b>-</b>	<b>276</b>	<b>14%</b>	
New York	151	55	-	-	-	-	206	10%	
New Jersey	41	-	56	-	-	-	97	5%	
<b>Middle Atlantic</b>	<b>192</b>	<b>55</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>303</b>	<b>15%</b>	
Virginia	134	-	-	55	21	-	210	11%	
Florida	-	-	105	-	-	-	105	5%	
North Carolina	-	34	31	-	-	-	65	3%	
Maryland	37	-	-	21	-	6	64	3%	
Other <sup>(2)</sup>	-	21	7	-	15	-	43	2%	
<b>South Atlantic</b>	<b>171</b>	<b>55</b>	<b>143</b>	<b>76</b>	<b>36</b>	<b>6</b>	<b>487</b>	<b>24%</b>	
Texas	-	19	2	-	32	-	53	3%	
Other <sup>(2)</sup>	48	6	101	-	18	-	173	8%	
<b>Central</b>	<b>48</b>	<b>25</b>	<b>103</b>	<b>-</b>	<b>50</b>	<b>-</b>	<b>226</b>	<b>11%</b>	
Arizona	-	20	-	31	-	-	51	3%	
Other <sup>(2)</sup>	-	-	-	38	-	-	38	2%	
<b>Mountain</b>	<b>-</b>	<b>20</b>	<b>-</b>	<b>69</b>	<b>-</b>	<b>-</b>	<b>89</b>	<b>5%</b>	
California	91	37	94	144	149	22	537	27%	
Oregon	34	-	12	-	18	-	64	3%	
Other <sup>(2)</sup>	14	14	-	-	-	-	28	1%	
<b>Pacific</b>	<b>139</b>	<b>51</b>	<b>106</b>	<b>144</b>	<b>167</b>	<b>22</b>	<b>629</b>	<b>31%</b>	
<b>Totals</b>	<b>\$ 672</b>	<b>\$ 263</b>	<b>\$ 427</b>	<b>\$ 350</b>	<b>\$ 270</b>	<b>\$ 28</b>	<b>\$ 2,010</b>	<b>100%</b>	
% of Mortgage Loans	<b>34%</b>	<b>13%</b>	<b>21%</b>	<b>17%</b>	<b>14%</b>	<b>1%</b>	<b>100%</b>		

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$134 million and \$208 million as of March 31, 2015 and December 31, 2014, respectively. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended March 31, 2015, expected to be filed on April 30, 2015.

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

**Cigna Corporation**  
**Summary of Commercial Mortgage Loans (unaudited)**  
**As of March 31, 2015**

(Dollars in millions)

	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other	Total	% of Mortgage Loans
<b>Loan to Value Ratio <sup>(1)</sup></b>	<b>57%</b>	<b>60%</b>	<b>67%</b>	<b>61%</b>	<b>66%</b>	<b>59%</b>	<b>61%</b>	
<b>Origination Years</b>								
Pre-2011	\$ 360	\$ 62	\$ 234	\$ 147	\$ 127	\$ 22	\$ 952	47%
2011	118	21	98	39	29	-	305	15%
2012	31	103	2	101	95	-	332	17%
2013	16	-	-	32	-	6	54	3%
2014	83	77	71	31	19	-	281	14%
2015	64	-	22	-	-	-	86	4%
<b>Totals</b>	<b>\$ 672</b>	<b>\$ 263</b>	<b>\$ 427</b>	<b>\$ 350</b>	<b>\$ 270</b>	<b>\$ 28</b>	<b>\$ 2,010</b>	<b>100%</b>

(1) The Loan to Value Ratios on the commercial mortgage loans that Cigna holds in its portfolio leverage internal valuations, which are estimates based on the most recent full year financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are primarily determined as part of an annual review process, which was last completed in the second quarter of 2014. For more information, please refer to Cigna's Form 10-Q for the period ended March 31, 2015, expected to be filed on April 30, 2015.

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

(Dollars in millions)

Three Months Ended March 31,  
2015                      2014

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$	531	\$	529
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:				
Depreciation and amortization		151		150
Realized investment gains		(73)		(42)
Deferred income taxes		15		14
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(549)		(431)
Reinsurance recoverables		(11)		42
Deferred policy acquisition costs		(76)		(67)
Other assets		(101)		(63)
Insurance liabilities		455		262
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>		157		(107)
Current income taxes		221		250
Other, net		(56)		(47)
<b>Net cash provided by operating activities</b>		<u>664</u>		<u>490</u>
<b>Net cash (used in) investing activities</b>		(49)		(506)
<b>Net cash provided by / (used in) financing activities</b>		603		(499)
Effect of foreign currency rate changes on cash and cash equivalents		(18)		(4)
<b>Net increase (decrease) in cash and cash equivalents</b>		1,200		(519)
Cash and cash equivalents, beginning of year		1,420		2,795
Cash and cash equivalents, end of period	\$	2,620	\$	2,276

(1) There were no pre-tax domestic qualified pension plan contributions made for the period ended March 31, 2015, compared to \$113 million for the period ended March 31, 2014.