

Cigna Corporation

Quarterly Financial Supplement March 31, 2017

This document is dated May 5, 2017. 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, 2017 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. Adjusted income from operations is defined as shareholders' net income excluding the following after-tax adjustments: realized investment results, net amortization of other acquired intangible assets and special items (identified and quantified on page 2). Operating revenues exclude net realized investment results. Adjusted income 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 from operations and operating revenues on a consolidated basis 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 and total revenues.

In the first quarter of 2017, we recorded a guaranty fund assessment related to the liquidation of a long-term care insurance company of \$129 million (\$83 million after-tax). This assessment is reported as a special item in this document and in Cigna's Form 10-Q for the three months ended March 31, 2017, expected to be filed on May 5, 2017.

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,				
	2017	2016	% Change		
REVENUES					
Total revenues	\$ 10,385	\$ 9,884	5 %		
Net realized investment (gains) losses	(46)	32	(244)		
Operating revenues	\$ 10,339	\$ 9,916	4 %		
Operating Revenues by Segment					
Global Health Care	\$ 8,198	\$ 7,884	4 %		
Global Supplemental Benefits	909	806	13		
Group Disability and Life	1,121	1,109	1		
Corporate and Other	111	117	(5)		
Consolidated operating revenues	\$ 10,339	\$ 9,916	4 %		
SHAREHOLDERS' NET INCOME					
Shareholders' net income	\$ 598	\$ 519	15 %		
After-tax adjustments to reconcile to adjusted income from operations:					
Realized investment (gains) losses	(31)	21			
Amortization of other acquired intangibles assets, net	20	25			
Special Items (see details on page 2)	132	36			
Adjusted income from operations	\$ 719	\$ 601	20 %		
Adjusted Income (Loss) From Operations by Segment					
Global Health Care	\$ 610	\$ 544	12 %		
Global Supplemental Benefits	74	67	10		
Group Disability and Life	68	15	N/M		
Ongoing operations	752	626	20		
Corporate and Other	(33)	(25)	(32)		
Total adjusted income from operations	\$ 719	\$ 601	20 %		
Diluted earnings per share:					
Shareholders' net income	\$ 2.30	\$ 2.00	15 %		
Adjusted income from operations	\$ 2.77	\$ 2.32	19 %		
Adjusted income from operations, excluding interest, taxes, depreciation and amortization ⁽¹⁾					
	\$ 1,249	\$ 1,117	12 %		
CUSTOMER RELATIONSHIPS					
		As of March 31,		As of December 31,	
(Relationships, lives and policies in thousands)		2017	2016	% Change	
Global Health Care Medical Customers (see page 7)		15,734	15,129	4 %	
Other Customer Relationships: (see page 7)					
Behavioral care	26,006	25,624	1		1
Dental	15,788	14,836	6		5
Pharmacy	8,910	8,358	7		5
Medicare Part D	853	1,083	(21)		(12)
Global Supplemental Benefit Policies (see page 9)	12,611	11,855	6		4
Group Disability and Life covered lives (estimated) ⁽²⁾	15,600	15,600	-		-
Total customer relationships	95,502	92,485	3 %		3 %

(1) Adjusted income from operations excluding interest, taxes, depreciation and amortization is a non-GAAP measure, defined as shareholders' net income (loss) excluding income taxes and the before-tax impact of special items, interest expense, total depreciation and amortization and net realized investment results.

(2) Group Disability and Life estimated covered lives as of December 31, 2016 has been revised to conform to current presentation.

Cigna Corporation

Reconciliation of Shareholders' Net Income (Loss) to Adjusted Income (Loss) from Operations (unaudited)

(Dollars in millions, except per share amounts)

Three Months Ended March 31,	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
Shareholders' net income (loss)	\$ 2.30	\$ 2.00	\$ 598	\$ 519	\$ 544	\$ 514	\$ 77	\$ 59	\$ 59	\$ 13	\$ (82)	\$ (67)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.12)	0.08	(31)	21	(16)	12	(9)	1	(6)	2	-	6
Amortization of other acquired intangible assets, net	0.08	0.10	20	25	14	18	6	7	-	-	-	-
Special items:												
Long-term care guaranty fund assessment	0.32	-	83	-	68	-	-	-	15	-	-	-
Merger-related transaction costs	0.19	0.14	49	36	-	-	-	-	-	-	49	36
Adjusted income (loss) from operations	\$ 2.77	\$ 2.32	\$ 719	\$ 601	\$ 610	\$ 544	\$ 74	\$ 67	\$ 68	\$ 15	\$ (33)	\$ (25)
Weighted average shares (in thousands)	259,774	259,447										
Common shares outstanding as of March 31, (in thousands)	256,217	256,507										
Special items, pre-tax:												
Long-term care guaranty fund assessment			\$ 129	\$ -	\$ 106	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ -	\$ -
Merger-related transaction costs			63	40	-	-	-	-	-	-	63	40
Total			\$ 192	\$ 40	\$ 106	\$ -	\$ -	\$ -	\$ 23	\$ -	\$ 63	\$ 40

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended March 31,		
	2017	2016	% Change
Revenues:			
Premiums	\$ 8,103	\$ 7,746	5 %
Fees	1,156	1,133	2
Net investment income	303	272	11
Mail order pharmacy revenues	710	697	2
Other revenues	<u>67</u>	<u>68</u>	(1)
Consolidated operating revenues	10,339	9,916	4
Net realized investment gains (losses)	<u>46</u>	<u>(32)</u>	244
Total revenues	<u>10,385</u>	<u>9,884</u>	5
Benefits and Expenses:			
Global Health Care medical costs	4,985	4,761	5
Other benefit expenses	1,367	1,368	-
Mail order pharmacy costs	581	574	1
Operating expenses excluding special items	2,162	2,101	3
Depreciation and amortization:			
Amortization of other acquired intangible assets, net	32	41	(22)
Depreciation and other amortization	<u>114</u>	<u>117</u>	(3)
Total depreciation and amortization	146	158	(8)
Interest expense	62	63	(2)
Special items (see details on page 2)	<u>192</u>	<u>40</u>	N/M
Total benefits and expenses	<u>9,495</u>	<u>9,065</u>	5
Income before income taxes	<u>890</u>	<u>819</u>	9
Income taxes:			
Current	286	294	(3)
Deferred	<u>11</u>	<u>11</u>	-
Total taxes	<u>297</u>	<u>305</u>	(3)
Net income	593	514	15
Less: net (loss) attributable to noncontrolling interests	<u>(5)</u>	<u>(5)</u>	-
Shareholders' net income	<u>\$ 598</u>	<u>\$ 519</u>	15 %

Cigna Corporation
Global Health Care
Segment Results (unaudited)

	Three Months Ended March 31,		
	2017	2016	% Change
<i>(Dollars in millions)</i>			
Revenues:			
Premiums	\$ 6,211	\$ 5,951	4 %
Fees	1,128	1,105	2
Net investment income	92	72	28
Mail order pharmacy revenues	710	697	2
Other revenues	57	59	(3)
Operating revenues	8,198	7,884	4
Net realized investment gains (losses)	26	(17)	253
Total revenues	8,224	7,867	5
Benefits and Expenses:			
Global Health Care medical costs	4,985	4,761	5
Mail order pharmacy costs	581	574	1
Operating expenses	1,682	1,655	2
Amortization of other acquired intangible assets, net	23	30	(23)
Special items (see details on page 2)	106	-	N/M
Benefits and expenses	7,377	7,020	5
Income before income taxes	847	847	-
Income taxes	304	334	(9)
(Loss) attributable to noncontrolling interest	(1)	(1)	-
Shareholders' net income from Global Health Care	544	514	6
After-tax adjustments required to reconcile to adjusted income from operations:			
Realized investment (gains) losses	(16)	12	
Amortization of other acquired intangible assets, net	14	18	
Special items (see details on page 2)	68	-	
Adjusted income from operations	\$ 610	\$ 544	12 %

Cigna Corporation
Global Health Care
Revenue Analysis (unaudited)

(Dollars in millions)

	Three Months Ended March 31,		
	2017	2016	% Change
Premiums:			
Guaranteed cost	\$ 1,543	\$ 1,132	36 %
Experience-rated ⁽¹⁾	679	586	16
Stop loss	852	752	13
International health care	475	467	2
Dental	441	388	14
Medicare	1,461	1,783	(18)
Medicaid	280	289	(3)
Medicare Part D	234	334	(30)
Other	246	220	12
Total Premiums	6,211	5,951	4
Fees, including international health care	1,128	1,105	2
Premiums and fees	7,339	7,056	4
Net investment income	92	72	28
Mail order pharmacy revenues ⁽²⁾	710	697	2
Other revenues ⁽³⁾	57	59	(3)
Operating revenues	\$ 8,198	\$ 7,884	4 %

(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)
	2017		2016		
<u>Medical Care Ratios:</u>					
Commercial	77.6	%	75.8	%	(1.8)
Government	85.9	%	86.2	%	0.3
Consolidated Global Health Care	80.3	%	80.0	%	(0.3)
Operating Expense ratio ^{(1) (2)}	20.5	%	21.0	%	0.5

(1) Excludes amortization of other acquired intangible assets and special items.

(2) For the three months ended March 31, 2016, operating expenses included the health insurance industry tax of \$78 million. There is a one-year moratorium on the industry tax for 2017. For additional details regarding PPACA related taxes and fees and the status of the moratorium, please refer to the Health Care Industry Developments section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended March 31, 2017, expected to be filed on May 5, 2017.

Cigna Corporation
Global Health Care
Estimated Covered Lives (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of March 31,			As of December 31,		
	2017	2016	% Change	2016	% Change	
<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾						
Commercial risk:						
U.S. Guaranteed cost	1,179	856	38 %	871	35 %	
U.S. Experience-rated ⁽²⁾	903	835	8	858	5	
International health care - risk	845	819	3	847	-	
Total commercial risk ⁽²⁾	2,927	2,510	17	2,576	14	
Medicare	441	549	(20)	504	(13)	
Medicaid	61	66	(8)	62	(2)	
Total risk	3,429	3,125	10	3,142	9	
Total service, including international health care	12,305	12,004	3	12,055	2	
Total medical customers	15,734	15,129	4 %	15,197	4 %	
Other Customer Relationships:						
Behavioral care ⁽³⁾	26,006	25,624	1 %	25,790	1 %	
Dental ⁽³⁾	15,788	14,836	6 %	14,981	5 %	
Pharmacy ⁽³⁾	8,910	8,358	7 %	8,461	5 %	
Medicare Part D ⁽⁴⁾	853	1,083	(21) %	972	(12) %	

(1) Includes individuals who meet any one of the following criteria: are covered under a medical 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 and services 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. Behavioral customer relationships exclude certain wellness programs. Prior year behavioral 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.

COVERED LIVES BY MARKET SEGMENT: ⁽⁵⁾	As of March 31,			As of December 31,		
	2017	2016 ⁽⁶⁾	% Change	2016 ⁽⁶⁾	% Change	
<i>(Lives in thousands)</i>						
Medical customers: ⁽¹⁾						
U.S. Commercial:						
National Accounts	3,748	3,622	3 %	3,577	5 %	
Middle Market	8,236	7,998	3	8,033	3	
Select	1,385	1,260	10	1,344	3	
Individual	353	193	83	168	110	
Small	1	2	(50)	1	-	
Total U.S. Commercial	13,723	13,075	5	13,123	5	
International	1,509	1,439	5	1,508	-	
Total Commercial	15,232	14,514	5	14,631	4	
Medicare	441	549	(20)	504	(13)	
Medicaid	61	66	(8)	62	(2)	
Total Government	502	615	(18)	566	(11)	
Total medical customers	15,734	15,129	4 %	15,197	4 %	

(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 fifteen states as of March 31, 2017: Arizona, California, Colorado, Connecticut, Florida, Georgia, Illinois, Maryland, Missouri, New Jersey, North Carolina, South Carolina, Tennessee, Texas and Virginia.
- ~ 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,		
	2017	2016	% Change
<i>(Dollars in millions)</i>			
Revenues:			
Premiums	\$ 864	\$ 767	13 %
Fees	5	5	-
Net investment income	28	26	8
Other revenues	12	8	50
Operating revenues	909	806	13
Net realized investment gains (losses)	13	(2)	N/M
Total revenues	922	804	15
Benefits and Expenses:			
Benefit expenses	505	431	17
Operating expenses ⁽¹⁾	312	295	6
Amortization of other acquired intangible assets, net	9	11	(18)
Benefits and expenses	826	737	12
Income before income taxes	96	67	43
Income taxes	23	12	92
(Loss) attributable to noncontrolling interests	(4)	(4)	-
Shareholders' net income from Global Supplemental Benefits	77	59	31
After-tax adjustments to reconcile to adjusted income from operations:			
Realized investment (gains) losses	(9)	1	
Amortization of other acquired intangible assets, net	6	7	
Adjusted income from operations	\$ 74	\$ 67	10 %

(1) Operating expenses include policy acquisition expenses of \$156 million for the three months ended March 31, 2017 and \$148 million for the three months ended March 31, 2016.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2016 amounts are presented using 2017 actual exchange rates:

	Three Months Ended March 31,		
	2017	2016	% Change
<i>(Dollars in millions)</i>			
Excluding the Effect of Foreign Currency Movements:			
Premiums and fees	\$ 869	\$ 784	11 %
Adjusted income from operations	\$ 74	\$ 69	7 %

Cigna Corporation
Global Supplemental Benefits
Key Metrics (unaudited)

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended March 31,			% Change
	2017	2016		
Korea	\$ 448	\$ 384	17	%
U.S.	190	154	23	
Taiwan	68	64	6	
U.K.	32	43	(26)	
Turkey	20	22	(9)	
Other	111	105	6	
Total	\$ 869	\$ 772	13	%
China Joint Venture ⁽¹⁾	\$ 281	\$ 179	57	%

NUMBER OF POLICIES:	As of March 31,			As of December 31,	
	2017	2016	% Change	2016	% Change
Global Supplemental Benefits Policies	12,611	11,855	6	12,151	4
China Joint Venture ⁽¹⁾	1,708	1,501	14	1,651	3

(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,

2017

2016

% Change

	2017	2016	% Change
Revenues:			
Premiums:			
Life	\$ 437	\$ 446	(2) %
Disability	501	492	2
Other	66	66	-
Total premiums	1,004	1,004	-
Fees	27	23	17
Net investment income	89	80	11
Other revenues	1	2	(50)
Operating revenues	1,121	1,109	1
Net realized investment gains (losses)	8	(3)	N/M
Total revenues	1,129	1,106	2
Benefits and Expenses:			
Benefit expenses	785	857	(8)
Operating expenses	234	230	2
Special items (see details on page 2)	23	-	N/M
Benefits and expenses	1,042	1,087	(4)
Income before income taxes	87	19	N/M
Income taxes	28	6	N/M
Shareholders' net income from Group Disability and Life	59	13	N/M
After-tax adjustments to reconcile to adjusted income from operations:			
Realized investment (gains) losses	(6)	2	
Special items (see details on page 2)	15	-	
Adjusted income from operations	\$ 68	\$ 15	N/M %

Cigna Corporation
Corporate and Other ⁽¹⁾
Segment Results (unaudited)

	Three Months Ended March 31,		
	2017	2016	% Change
<i>(Dollars in millions)</i>			
Revenues:			
Premiums ⁽²⁾	\$ 24	\$ 24	- %
Fees ⁽²⁾	(4)	-	N/M
Net investment income	94	94	-
Other revenues ⁽²⁾	<u>(3)</u>	<u>(1)</u>	(200)
Operating revenues	111	117	(5)
Net realized investment (losses)	<u>(1)</u>	<u>(10)</u>	90
Total revenues	<u>110</u>	<u>107</u>	3
Benefits and Expenses:			
Benefit expenses	77	80	(4)
Operating expenses excluding special items ⁽²⁾	110	101	9
Special items (see details on page 2)	<u>63</u>	<u>40</u>	58
Benefits and expenses	<u>250</u>	<u>221</u>	13
(Loss) before income taxes	(140)	(114)	(23)
Income tax (benefits)	<u>(58)</u>	<u>(47)</u>	(23)
Shareholders' net (loss) from Corporate and Other Operations	(82)	(67)	(22)
Adjustments to reconcile to adjusted loss from operations:			
Realized investment losses	-	6	
Special items (see details on page 2)	<u>49</u>	<u>36</u>	
Adjusted (loss) from operations	\$ (33)	\$ (25)	(32) %

(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, 2017 (Unaudited)	As of December 31, 2016		As of March 31, 2017 (Unaudited)	As of December 31, 2016
Assets			Liabilities		
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$20,639 and \$19,942)	\$ 21,734	\$ 20,961	Contractholder deposit funds	\$ 8,415	\$ 8,458
Equity securities, at fair value (cost, \$584 and \$583)	574	583	Future policy benefits	9,840	9,648
Commercial mortgage loans (see page 15)	1,752	1,666	Unpaid claims and claim expenses	5,006	4,917
Policy loans	1,431	1,452	Global Health Care medical costs payable	2,770	2,532
Other long-term investments	1,465	1,462	Unearned premiums	1,204	634
Short-term investments	303	691	Total insurance and contractholder liabilities	27,235	26,189
Total investments	27,259	26,815	Accounts payable, accrued expenses and other liabilities	6,667	6,414
Cash and cash equivalents	4,155	3,185	Short-term debt	142	276
Premiums, accounts and notes receivable, net	3,154	3,077	Long-term debt	4,621	4,756
Reinsurance recoverables ⁽¹⁾	6,386	6,478	Separate account liabilities	8,197	7,940
Deferred policy acquisition costs	1,982	1,818	Total liabilities	46,862	45,575
Property and equipment	1,519	1,536	Redeemable noncontrolling interests	56	58
Deferred tax assets, net	263	304	Shareholders' Equity		
Goodwill	5,982	5,980	Common stock	74	74
Other assets, including other intangibles ⁽²⁾	2,250	2,227	Additional paid-in capital	2,912	2,892
Separate account assets	8,197	7,940	Accumulated other comprehensive loss	(1,252)	(1,382)
			Retained earnings	14,356	13,855
			Less treasury stock, at cost	(1,864)	(1,716)
			Total shareholders' equity	14,226	13,723
			Noncontrolling interests	3	4
			Total equity	14,229	13,727
Total assets	\$ 61,147	\$ 59,360	Total liabilities and equity	\$ 61,147	\$ 59,360

(1) Includes \$5.5 billion as of March 31, 2017 and \$5.6 billion as of December 31, 2016 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 \$0.8 billion as of March 31, 2017 and December 31, 2016 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, 2017				As of December 31, 2016			
	Public	Private	Total ⁽¹⁾	% of Fixed Maturities	Public	Private	Total ⁽¹⁾	% of Fixed Maturities
United States Government	\$ 897	\$ -	\$ 897	4%	\$ 877	\$ -	\$ 877	4%
States and Local Government	1,419	-	1,419	6%	1,435	-	1,435	7%
Foreign Government	2,235	77	2,312	11%	2,035	78	2,113	10%
Government	4,551	77	4,628	21%	4,347	78	4,425	21%
Basic Industry	1,790	1,031	2,821	13%	1,757	995	2,752	13%
Capital Goods	949	991	1,940	9%	894	999	1,893	9%
Communications	1,032	78	1,110	5%	985	58	1,043	5%
Consumer	2,705	894	3,599	17%	2,621	884	3,505	17%
Electric and Utility	1,035	1,088	2,123	10%	950	1,082	2,032	10%
Energy and Natural Gas	1,124	651	1,775	8%	1,072	652	1,724	8%
Financial	2,538	560	3,098	14%	2,406	573	2,979	14%
Other	82	79	161	2%	51	71	122	1%
Corporate	11,255	5,372	16,627	78%	10,736	5,314	16,050	77%
Mortgage and other asset-backed	91	388	479	1%	91	395	486	2%
Total Fixed Maturities ⁽²⁾	\$ 15,897	\$ 5,837	\$ 21,734	100%	\$ 15,174	\$ 5,787	\$ 20,961	100%
% of Fixed Maturities	73%	27%	100%		72%	28%	100%	

(1) 89% of fixed maturities were investment grade as of March 31, 2017 and December 31, 2016. The remaining fixed maturities were below investment grade holdings and invested mainly in corporate debt, including both public and private placed debt.

(2) Problem and potential problem bonds at amortized cost, net of impairments, were \$52 million as of March 31, 2017 and \$66 million as of December 31, 2016. For more information, please refer to Cigna's Form 10-Q for the period ended March 31, 2017 expected to be filed on May 5, 2017.

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

(Dollars in millions)

Sector	As of March 31, 2017			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 667	\$ 233	\$ 3	\$ 897
State and Local Government	1,324	100	5	1,419
Foreign Government	2,206	122	16	2,312
Government	4,197	455	24	4,628
Basic Industry	2,699	143	21	2,821
Capital Goods	1,857	97	14	1,940
Communications	1,067	50	7	1,110
Consumer	3,488	136	25	3,599
Electric and Utility	2,009	131	17	2,123
Energy and Natural Gas	1,703	85	13	1,775
Financial	3,011	98	11	3,098
Other	158	4	1	161
Corporate	15,992	744	109	16,627
Mortgage and other asset-backed	450	32	3	479
Total Fixed Maturities	\$ 20,639	\$ 1,231	\$ 136	\$ 21,734

As of December 31, 2016			
Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
\$ 658	\$ 223	\$ 4	\$ 877
1,342	99	6	1,435
1,998	129	14	2,113
3,998	451	24	4,425
2,658	129	35	2,752
1,811	98	16	1,893
1,004	48	9	1,043
3,405	131	31	3,505
1,927	129	24	2,032
1,654	88	18	1,724
2,904	90	15	2,979
120	3	1	122
15,483	716	149	16,050
461	29	4	486
\$ 19,942	\$ 1,196	\$ 177	\$ 20,961

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of March 31, 2017

(Dollars in millions)

Geographic Region	Property Type						Total ⁽¹⁾	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail			
Massachusetts	\$ 61	\$ 55	\$ 3	\$ 89	\$ -	\$ 208	12%	
Other ⁽²⁾	-	-	-	-	15	15	1%	
New England	61	55	3	89	15	223	13%	
New York	75	55	-	-	-	130	7%	
New Jersey	-	42	56	-	-	98	6%	
Middle Atlantic	75	97	56	-	-	228	13%	
Virginia	113	-	-	-	-	113	7%	
North Carolina	-	45	14	-	-	59	3%	
Maryland	36	-	-	20	-	56	3%	
Other ⁽²⁾	-	20	-	-	13	33	2%	
South Atlantic	149	65	14	20	13	261	15%	
Texas	33	66	1	-	-	100	6%	
Illinois	66	-	-	-	-	66	4%	
Other ⁽²⁾	-	-	65	-	-	65	3%	
Central	99	66	66	-	-	231	13%	
Other ⁽²⁾	-	-	-	32	-	32	2%	
Mountain	-	-	-	32	-	32	2%	
California	237	118	127	64	92	638	36%	
Oregon	33	28	21	-	18	100	6%	
Other ⁽²⁾	-	39	-	-	-	39	2%	
Pacific	270	185	148	64	110	777	44%	
Totals	\$ 654	\$ 468	\$ 287	\$ 205	\$ 138	\$ 1,752	100%	
% of Mortgage Loans	37%	27%	16%	12%	8%	100%		
Loan to Value Ratio ⁽³⁾	55%	59%	59%	57%	53%	57%		

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$6 million and \$21 million as of March 31, 2017 and December 31, 2016, 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, 2017, expected to be filed on May 5, 2017.

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

(3) 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 completed in the second quarter of 2016. For more information, please refer to Cigna's Form 10-Q for the period ended March 31, 2017, expected to be filed on May 5, 2017.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

Three Months Ended March 31,
2017 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$	593	\$	514
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:				
Depreciation and amortization		146		158
Realized investment (gains) losses		(46)		32
Deferred income taxes		11		11
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(55)		(237)
Reinsurance recoverables		41		24
Deferred policy acquisition costs		(76)		(62)
Other assets		(22)		(57)
Insurance liabilities		868		507
Accounts payable, accrued expenses and other liabilities ⁽¹⁾		(186)		(263)
Current income taxes		291		262
Distributions from partnership investments ⁽²⁾		45		27
Other, net		(31)		5
Net cash provided by operating activities ⁽²⁾		1,579		921
Net cash used in investing activities ⁽²⁾		(117)		(360)
Net cash used in financing activities ⁽³⁾		(515)		(146)
Effect of foreign currency rate changes on cash and cash equivalents		23		18
Net increase in cash and cash equivalents		970		433
Cash and cash equivalents, beginning of year		3,185		1,968
Cash and cash equivalents, end of period	\$	4,155	\$	2,401

(1) Includes pre-tax domestic qualified pension plan contributions of \$150 million for the three months ended March 31, 2017. There were no contributions in 2016.

(2) As required in early adopting ASU 2016-15, the Company retrospectively reclassified \$27 million of cash distributions of earnings from partnership investments from investing to operating activities for the three months ended March 31, 2016. The comparable amount reported in operating activities for the three months ended March 31, 2017 was \$45 million.

(3) Includes \$250 million for the repayment of long-term debt for the three months ended March 31, 2017. There were no debt repayments in 2016.