

Cigna Corporation

Quarterly Financial Supplement December 31, 2014

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Cigna Corporation
December 31, 2014 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 "segment earnings (loss)," defined as shareholders' net income (loss) excluding net realized investment gains (losses).

Adjusted income (loss) from operations is defined as segment earnings excluding special items (identified and quantified on page 2) and results of Cigna's guaranteed minimum income benefits business. Adjusted income (loss) from operations is a measure of profitability used by Cigna's management because it presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and shareholders' net income (loss).

Operating revenues exclude net realized investment results. This measure is used by Cigna's management because it presents the underlying revenue of Cigna's operating businesses.

Adjusted income (loss) from operations and segment 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.

Beginning with the first quarter of 2014, Cigna began reporting its run-off reinsurance business in Other Operations. In addition, in this Quarterly Financial Supplement, Other Operations and Corporate have been combined under the heading "Corporate and Other." Prior year information has been conformed to the current presentation.

In some of the 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 December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
SEGMENT REVENUES						
Global Health Care	\$ 7,017	\$ 6,355	10 %	\$ 27,290	\$ 25,296	8 %
Global Supplemental Benefits	757	692	9	3,005	2,639	14
Group Disability and Life	1,008	956	5	3,970	3,747	6
Corporate and Other	122	127	(4)	495	485	2
Total operating revenue	8,904	8,130	10	34,760	32,167	8
Net realized investment gains	24	21	14	154	213	(28)
Total Revenues	\$ 8,928	\$ 8,151	10 %	\$ 34,914	\$ 32,380	8 %
ADJUSTED INCOME (LOSS) FROM OPERATIONS						
Global Health Care	\$ 371	\$ 318	17 %	\$ 1,646	\$ 1,572	5 %
Global Supplemental Benefits	33	40	(18)	230	183	26
Group Disability and Life	85	66	29	317	311	2
Ongoing operations	489	424	15	2,193	2,066	6
Corporate and Other	(43)	(37)	(16)	(197)	(134)	(47)
Total	\$ 446	\$ 387	15 %	\$ 1,996	\$ 1,932	3 %
Diluted earnings per share - adjusted income from operations	\$ 1.69	\$ 1.39	22 %	\$ 7.43	\$ 6.79	9 %
SHAREHOLDERS' NET INCOME						
Segment Earnings (Loss)						
Global Health Care	\$ 371	\$ 287	29 %	\$ 1,646	\$ 1,517	9 %
Global Supplemental Benefits	33	32	3	230	175	31
Group Disability and Life	85	65	31	317	259	22
Ongoing operations	489	384	27	2,193	1,951	12
Corporate and Other	(43)	(37)	(16)	(197)	(616)	68
Total	446	347	29	1,996	1,335	50
Net realized investment gains, net of taxes	21	14	50	106	141	(25)
Shareholders' net income	\$ 467	\$ 361	29 %	\$ 2,102	\$ 1,476	42 %
Diluted earnings per share - shareholders' net income	\$ 1.77	\$ 1.29	37 %	\$ 7.83	\$ 5.18	51 %

CUSTOMER RELATIONSHIPS

(Relationships, lives and policies in thousands)

	As of December 31,		
	2014	2013	% Change
Global Health Care Medical Customers, excluding limited benefits: (see page 8)	14,456	14,078	3 %
Other Customer Relationships: (see page 8)			
Behavioral care	23,853	22,515	6
Dental	12,858	12,234	5
Pharmacy	7,542	7,095	6
Medicare Part D	1,188	1,190	-
Global Supplemental Benefit Policies (see page 10)	12,342	11,869	4
Group Disability and Life covered lives (estimated)	14,200	13,600	4
Total customer relationships	86,439	82,581	5 %

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	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Three Months Ended December 31,												
Adjusted income (loss) from operations	\$ 1.69	\$ 1.39	\$ 446	\$ 387	\$ 371	\$ 318	\$ 33	\$ 40	\$ 85	\$ 66	\$ (43)	\$ (37)
Special items, after-tax:												
Charge for organizational efficiency plan	-	(0.15)	-	(40)	-	(31)	-	(8)	-	(1)	-	-
Segment earnings (loss)	1.69	1.24	446	347	\$ 371	\$ 287	\$ 33	\$ 32	\$ 85	\$ 65	\$ (43)	\$ (37)
Net realized investment gains, net of taxes	0.08	0.05	21	14								
Shareholders' net income	\$ 1.77	\$ 1.29	\$ 467	\$ 361								
Weighted average shares (in thousands)	264,284	278,960										
Special Items, pre-tax:												
Charge for organizational efficiency plan			\$ -	\$ (60)	\$ -	\$ (47)	\$ -	\$ (11)	\$ -	\$ (2)	\$ -	\$ -

	Diluted Earnings Per Share		Consolidated		Global Health Care		Global Supplemental Benefits		Group Disability and Life		Corporate and Other	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Year Ended December 31,												
Adjusted income (loss) from operations	\$ 7.43	\$ 6.79	\$ 1,996	\$ 1,932	\$ 1,646	\$ 1,572	\$ 230	\$ 183	\$ 317	\$ 311	\$ (197)	\$ (134)
Results of guaranteed minimum income benefits business	-	0.09	-	25	-	-	-	-	-	-	-	25
Special items, after-tax:												
Transaction costs associated with PBM services agreement	-	(0.08)	-	(24)	-	(24)	-	-	-	-	-	-
Charge related to reinsurance transaction	-	(1.78)	-	(507)	-	-	-	-	-	-	-	(507)
Charge for disability claims regulatory matter	-	(0.18)	-	(51)	-	-	-	-	-	(51)	-	-
Charge for organizational efficiency plan	-	(0.15)	-	(40)	-	(31)	-	(8)	-	(1)	-	-
Segment earnings (loss)	7.43	4.69	1,996	1,335	\$ 1,646	\$ 1,517	\$ 230	\$ 175	\$ 317	\$ 259	\$ (197)	\$ (616)
Net realized investment gains, net of taxes	0.40	0.49	106	141								
Shareholders' net income	\$ 7.83	\$ 5.18	\$ 2,102	\$ 1,476								
Weighted average shares (in thousands)	268,603	284,685										
Common shares outstanding as of December 31, (in thousands)	259,276	275,526										
Special Items, pre-tax:												
Transaction costs associated with PBM services agreement			\$ -	\$ (37)	\$ -	\$ (37)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charge related to reinsurance transaction			-	(781)	-	-	-	-	-	-	-	(781)
Charge for disability claims regulatory matter			-	(77)	-	-	-	-	-	(77)	-	-
Charge for organizational efficiency plan			-	(60)	-	(47)	-	(11)	-	(2)	-	-
Total			\$ -	\$ (955)	\$ -	\$ (84)	\$ -	\$ (11)	\$ -	\$ (79)	\$ -	\$ (781)

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums	\$ 6,906	\$ 6,421	8 %	\$ 27,214	\$ 25,575	6 %
Fees	1,021	863	18	3,880	3,401	14
Net investment income	303	291	4	1,166	1,164	-
Mail order pharmacy revenues	614	494	24	2,239	1,827	23
Other revenues	60	61	(2)	261	200	31
Total operating revenues	8,904	8,130	10	34,760	32,167	8
Net realized investment gains	24	21	14	154	213	(28)
Total revenues	8,928	8,151	10	34,914	32,380	8
Benefits and Expenses:						
Global Health Care medical claims expense	4,291	4,003	7	16,694	15,867	5
Other benefit expenses excluding special items	1,167	1,108	5	4,640	4,196	11
Mail order pharmacy costs	525	413	27	1,907	1,509	26
Operating expenses excluding special items	1,991	1,812	10	7,516	6,810	10
Depreciation and amortization:						
Amortization of other acquired intangible assets	49	57	(14)	195	235	(17)
Depreciation and other amortization	104	95	9	393	362	9
Total depreciation and amortization	153	152	1	588	597	(2)
Interest expense	69	67	3	265	270	(2)
Special items (see details on page 2)	-	60	(100)	-	955	(100)
Total benefits and expenses	8,196	7,615	8	31,610	30,204	5
Income before income taxes	732	536	37	3,304	2,176	52
Income taxes:						
Current	304	216	41	1,232	501	146
Deferred	(34)	(40)	15	(22)	197	(111)
Total taxes	270	176	53	1,210	698	73
Net income	462	360	28	2,094	1,478	42
Less: net income (loss) attributable to noncontrolling interests	(5)	(1)	N/M	(8)	2	N/M
Shareholders' net income	\$ 467	\$ 361	29 %	\$ 2,102	\$ 1,476	42 %

Cigna Corporation
Global Health Care
Segment Earnings (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums	\$ 5,260	\$ 4,875	8 %	\$ 20,709	\$ 19,626	6 %
Fees	994	848	17	3,767	3,307	14
Net investment income	93	82	13	337	325	4
Mail order pharmacy revenues	614	494	24	2,239	1,827	23
Other revenues	56	56	-	238	211	13
Segment revenues	<u>7,017</u>	<u>6,355</u>	10	<u>27,290</u>	<u>25,296</u>	8
Benefits and Expenses:						
Global Health Care medical claims expense	4,291	4,003	7	16,694	15,867	5
Mail order pharmacy costs	525	413	27	1,907	1,509	26
Operating expenses excluding special items	1,598	1,443	11	6,009	5,497	9
Special items (see details on page 2)	-	47	(100)	-	84	(100)
Benefits and expenses	<u>6,414</u>	<u>5,906</u>	9	<u>24,610</u>	<u>22,957</u>	7
Income before income taxes	603	449	34	2,680	2,339	15
Income taxes	231	162	43	1,035	822	26
Income (loss) attributable to noncontrolling interest	1	-	N/M	(1)	-	N/M
Segment earnings, after-tax	371	287	29	1,646	1,517	9
Less: Special items, after-tax (see details on page 2)	-	(31)	100	-	(55)	100
Adjusted income from operations	\$ 371	\$ 318	17 %	\$ 1,646	\$ 1,572	5 %
Net realized investment gains, net of taxes	\$ 14	\$ 8	75 %	\$ 54	\$ 73	(26) %

Cigna Corporation
Global Health Care
Premiums Analysis (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Premiums:						
Guaranteed cost	\$ 1,178	\$ 1,125	5 %	\$ 4,600	\$ 4,463	3 %
Experience-rated ⁽¹⁾	580	582	-	2,322	2,292	1
Stop loss	610	497	23	2,318	1,907	22
International health care	456	437	4	1,827	1,752	4
Dental	330	289	14	1,257	1,139	10
Medicare	1,397	1,384	1	5,660	5,639	-
Medicaid	199	82	143	515	317	62
Medicare Part D	308	298	3	1,405	1,387	1
Other	202	181	12	805	730	10
Total Premiums	5,260	4,875	8	20,709	19,626	6
Fees, including international health care	994	848	17	3,767	3,307	14
Premiums and Fees	6,254	5,723	9	24,476	22,933	7
Net investment income	93	82	13	337	325	4
Mail order pharmacy revenues ⁽²⁾	614	494	24	2,239	1,827	23
Other revenues ⁽³⁾	56	56	-	238	211	13
Segment revenues	\$ 7,017	\$ 6,355	10 %	\$ 27,290	\$ 25,296	8 %

(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 December 31,				Change Favorable (Unfavorable)	Year Ended December 31,				
	2014		2013			2014		2013		
US Commercial Guaranteed Cost medical care ratio ⁽¹⁾	86.6	%	86.6	%	-	81.8	%	81.5	%	(0.3)
Medicare Advantage medical care ratio ⁽²⁾	82.2	%	86.4	%	4.2	83.5	%	84.8	%	1.3
Medicare Part D medical care ratio ⁽²⁾	71.0	%	61.0	%	(10.0)	86.3	%	82.3	%	(4.0)
Operating Expense ratio (excluding special items)	22.8	%	22.7	%	(0.1)	22.0	%	21.7	%	(0.3)

(1) Excludes stop loss products and Cigna's international health care business. Includes rebates payable in accordance with the Patient Protection and Affordable Care Act ("PPACA"), as well as the effect of the government risk mitigation programs effective January 1, 2014.

(2) Includes rebates payable in accordance with PPACA, effective January 1, 2014.

ADDITIONAL MEDICAL CARE RATIOS:	Three Months Ended December 31,				Change Favorable (Unfavorable)	Year Ended December 31,				
	2014		2013			2014		2013		
Total Commercial medical care ratio	82.0	%	82.2	%	0.2	78.5	%	78.9	%	0.4
Total Government medical care ratio	80.9	%	81.9	%	1.0	84.3	%	84.1	%	(0.2)
Consolidated Global Health Care medical care ratio	81.6	%	82.1	%	0.5	80.6	%	80.8	%	0.2

PPACA – Related Taxes and Fees (unaudited)⁽³⁾

(Dollars in millions)

	Three Months Ended December 31,			
	2014		2013	
Health insurance industry tax	\$ 56	\$	-	\$
Reinsurance fee	31		-	
Other fees	5		1	
Total PPACA-related taxes and fees	\$ 92	\$	1	\$

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

Cigna Corporation
Global Health Care
Three Year Historical Medical Care Ratios (unaudited)

RATIOS:	Three Months Ended				Year Ended December 31, 2014
	March 31, 2014	June 30, 2014	September 30, 2014	December 31, 2014	
Total Commercial medical care ratio	74.8 %	78.9 %	78.0 %	82.0 %	78.5 %
Total Government medical care ratio	86.5 %	85.5 %	84.1 %	80.9 %	84.3 %
Consolidated Global Health Care medical care ratio	79.3 %	81.3 %	80.2 %	81.6 %	80.6 %

RATIOS:	Three Months Ended				Year Ended December 31, 2013
	March 31, 2013	June 30, 2013	September 30, 2013	December 31, 2013	
Total Commercial medical care ratio	77.0 %	77.0 %	79.3 %	82.2 %	78.9 %
Total Government medical care ratio	87.2 %	84.5 %	82.6 %	81.9 %	84.1 %
Consolidated Global Health Care medical care ratio	80.9 %	79.8 %	80.5 %	82.1 %	80.8 %

RATIOS:	Three Months Ended				Year Ended December 31, 2012
	March 31, 2012	June 30, 2012	September 30, 2012	December 31, 2012	
Total Commercial medical care ratio	76.9 %	79.0 %	78.6 %	79.6 %	78.5 %
Total Government medical care ratio	87.4 %	82.5 %	78.5 %	78.3 %	81.4 %
Consolidated Global Health Care medical care ratio	80.4 %	80.3 %	78.6 %	79.1 %	79.6 %

Cigna Corporation
Global Health Care
Estimated Covered Lives (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of December 31,		
	2014	2013	% Change
<i>(Lives in thousands)</i>			
Medical customers: ⁽¹⁾			
Commercial risk:			
U.S. Guaranteed cost ⁽²⁾	930	960	(3) %
U.S. Experience-rated ⁽³⁾	840	794	6
International health care - risk	764	742	3
Total commercial risk ⁽²⁾	2,534	2,496	2
Medicare	459	467	(2)
Medicaid	59	25	136
Total risk ⁽²⁾	3,052	2,988	2
Total service, including international health care	11,404	11,090	3
Medical customers (ex. Limited Benefits) ⁽²⁾	14,456	14,078	3 %
Limited Benefits	-	139	(100)
Total medical customers	14,456	14,217	2 %
Other Customer Relationships:			
Behavioral care ⁽⁴⁾	23,853	22,515	6 %
Dental ⁽⁴⁾	12,858	12,234	5 %
Pharmacy ⁽⁴⁾	7,542	7,095	6 %
Medicare Part D ⁽⁵⁾	1,188	1,190	- %

(1) 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; or have medical claims that are administered by Cigna.

(2) In connection with U.S. health care reform legislation, Cigna ceased offering limited medical benefits products effective December 31, 2013. Covered lives presented above for 2013 exclude limited medical benefits customers.

(3) 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.

(4) 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. Behavioral and dental customer relationships exclude international health care business. Prior year dental membership has been revised to conform to current presentation.

(5) 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:	As of December 31,		
	2014	2013 ⁽⁷⁾	% Change
<i>(Lives in thousands)</i>			
Medical customers: ⁽¹⁾			
U.S. Commercial:			
National Accounts ⁽²⁾	3,782	3,821	(1) %
Middle Market ⁽²⁾	7,492	7,320	2
Select ⁽²⁾	1,106	948	17
Individual	281	237	19
Small	2	3	(33)
Total U.S. Commercial	12,663	12,329	3
International	1,275	1,257	1
Total Commercial	13,938	13,586	3
Medicare	459	467	(2)
Medicaid	59	25	136
Total Government	518	492	5
Medical customers (ex. Limited Benefits) ⁽²⁾	14,456	14,078	3 %
Limited Benefits	-	139	(100)
Total medical customers	14,456	14,217	2 %

(6) 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 ten states as of December 31, 2013: Arizona, California, Colorado, Connecticut, Florida, Georgia, 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.

(7) 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 Earnings (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums	\$ 720	\$ 658	9 %	\$ 2,844	\$ 2,496	14 %
Fees	6	4	50	27	17	59
Net investment income	27	25	8	109	100	9
Other revenues	4	5	(20)	25	26	(4)
Segment revenues	<u>757</u>	<u>692</u>	9	<u>3,005</u>	<u>2,639</u>	14
Benefits and Expenses:						
Benefit expenses	397	349	14	1,544	1,310	18
Operating expenses excluding special items ⁽¹⁾	316	299	6	1,190	1,091	9
Special items (see details on page 2)	-	11	(100)	-	11	(100)
Benefits and expenses	<u>713</u>	<u>659</u>	8	<u>2,734</u>	<u>2,412</u>	13
Income before income taxes	44	33	33	271	227	19
Income taxes	17	2	N/M	48	50	(4)
Income (loss) attributable to noncontrolling interests	(6)	(1)	N/M	(7)	2	N/M
Segment earnings, after-tax	33	32	3	230	175	31
Less: Special items, after-tax (see details on page 2)	-	(8)	100	-	(8)	100
Adjusted income from operations	\$ 33	\$ 40	(18) %	\$ 230	\$ 183	26 %
Net realized investment gains, net of taxes	\$ 3	\$ -	N/M %	\$ 3	\$ 5	(40) %

(1) Operating expenses include policy acquisition expenses of \$163 million for the three months and \$644 million for the year ended December 31, 2014 and \$169 million for the three months and \$623 million for the year ended December 31, 2013.

Movements in foreign currency exchange rates between reporting periods impact the comparability of reported results. In the table below, 2013 amounts are presented using 2014 actual exchange rates:

Excluding the Effect of Foreign Currency Movements:	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
<i>(Dollars in millions)</i>						
Premiums and fees	\$ 726	\$ 644	13 %	\$ 2,871	\$ 2,542	13 %
Adjusted income from operations	\$ 33	\$ 40	(18) %	\$ 230	\$ 190	21 %

Cigna Corporation
Global Supplemental Benefits
Key Metrics (unaudited)

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Korea	\$ 374	\$ 345	8 %	\$ 1,494	\$ 1,277	17 %
U.S.	102	80	28	381	299	27
Taiwan	70	71	(1)	276	271	2
Europe	67	62	8	276	253	9
Indonesia	20	21	(5)	84	91	(8)
Other	93	83	12	360	322	12
Total ⁽¹⁾	\$ 726	\$ 662	10 %	\$ 2,871	\$ 2,513	14 %
China Joint Venture ⁽¹⁾	\$ 132	\$ 113	17 %	\$ 489	\$ 416	18 %

NUMBER OF POLICIES:	As of December 31,		
	2014	2013	% Change
Global Supplemental Benefits Policies	12,342	11,869	4 %
China Joint Venture ⁽¹⁾	1,227	1,090	13 %

(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 Earnings (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums:						
Life	\$ 406	\$ 393	3 %	\$ 1,629	\$ 1,552	5 %
Disability	435	405	7	1,681	1,539	9
Other	58	64	(9)	239	257	(7)
Total premiums	899	862	4	3,549	3,348	6
Fees	21	11	91	86	77	12
Net investment income	89	83	7	335	321	4
Other revenues	(1)	-	N/M	-	1	(100)
Segment revenues	1,008	956	5	3,970	3,747	6
Benefits and Expenses:						
Benefit expenses excluding special items	680	668	2	2,716	2,546	7
Operating expenses excluding special items	207	194	7	797	762	5
Special items (see details on page 2)	-	2	(100)	-	79	(100)
Benefits and expenses	887	864	3	3,513	3,387	4
Income before income taxes	121	92	32	457	360	27
Income tax expense	36	27	33	140	101	39
Segment earnings, after-tax	85	65	31	317	259	22
Less: Special items, after-tax (see details on page 2)	-	(1)	100	-	(52)	100
Adjusted income from operations	\$ 85	\$ 66	29 %	\$ 317	\$ 311	2 %
Net realized investment gains (losses), net of taxes	\$ (1)	\$ 4	(125) %	\$ 14	\$ 40	(65) %

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

<i>(Dollars in millions)</i>	Three Months Ended December 31,			Year Ended December 31,		
	2014	2013	% Change	2014	2013	% Change
Revenues:						
Premiums	\$ 27	\$ 26	4 %	\$ 112	\$ 105	7 %
Net investment income	94	101	(7)	385	418	(8)
Other revenues	1	-	N/M	(2)	(38)	95
Segment revenues	<u>122</u>	<u>127</u>	(4)	<u>495</u>	<u>485</u>	2
Benefits and Expenses:						
Benefit expenses excluding special items	90	91	(1)	380	340	12
Guaranteed minimum income benefits income	-	-	-	-	(45)	100
Operating expenses excluding special items ⁽²⁾	92	95	(3)	373	372	-
Special items (see details on page 2)	-	-	-	-	781	(100)
Benefits and expenses	<u>182</u>	<u>186</u>	(2)	<u>753</u>	<u>1,448</u>	(48)
Loss before income taxes	(60)	(59)	(2)	(258)	(963)	73
Income taxes	(17)	(22)	23	(61)	(347)	82
Segment loss, after-tax	(43)	(37)	(16)	(197)	(616)	68
Less: Results of guaranteed minimum income benefits business, after-tax	-	-	-	-	25	(100)
Less: Special items, after-tax (see details on page 2)	-	-	-	-	(507)	100
Adjusted loss from operations	\$ (43)	\$ (37)	(16) %	\$ (197)	\$ (134)	(47) %
Net realized investment gains, net of taxes	\$ 5	\$ 2	150 %	\$ 35	\$ 23	52 %

(1) Beginning with the first quarter of 2014, Cigna began reporting its run-off reinsurance business in Other Operations. In addition, in this Quarterly Financial Supplement, Other Operations and Corporate have been combined under the heading "Corporate and Other." Prior year information has been conformed to the current presentation.

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

Cigna Corporation
Consolidated Balance Sheets

(Dollars in millions)

	As of December 31, 2014 (Unaudited)	As of December 31, 2013		As of December 31, 2014 (Unaudited)	As of December 31, 2013
Assets					
Investments:					
Fixed maturities, at fair value (see pages 14 and 15) (amortized cost, \$17,278 and \$15,273)	\$ 18,983	\$ 16,486	Contractholder deposit funds	\$ 8,430	\$ 8,470
Equity securities, at fair value (cost, \$199 and \$146)	189	141	Future policy benefits	9,642	9,306
Commercial mortgage loans (see pages 16 and 17)	2,081	2,252	Unpaid claims and claim expenses	4,400	4,298
Policy loans	1,438	1,485	Global Health Care medical claims payable	2,180	2,050
Other long-term investments	1,488	1,370	Unearned premiums and fees	621	580
Short-term investments	163	631	Total insurance and contractholder liabilities	25,273	24,704
Total investments	24,342	22,365	Accounts payable, accrued expenses and other liabilities	6,264	5,456
Cash and cash equivalents	1,420	2,795	Short-term debt	147	233
Premiums, accounts and notes receivable, net	2,757	1,991	Long-term debt	5,005	5,014
Reinsurance recoverables ⁽¹⁾	7,080	7,299	Separate account liabilities	8,328	8,252
Deferred policy acquisition costs	1,502	1,395	Total liabilities	45,017	43,659
Property and equipment	1,502	1,464	Redeemable noncontrolling interest	90	96
Deferred income taxes, net	293	92	Shareholders' Equity		
Goodwill	5,989	6,029	Common stock	74	92
Other assets, including other intangibles ⁽²⁾	2,683	2,654	Additional paid-in capital	2,769	3,356
Separate account assets	8,328	8,252	Accumulated other comprehensive loss	(936)	(520)
			Retained earnings	10,289	13,676
			Less treasury stock, at cost	(1,422)	(6,037)
			Total shareholders' equity	10,774	10,567
			Noncontrolling interest	15	14
			Total equity	10,789	10,581
Total assets	\$ 55,896	\$ 54,336	Total liabilities and equity	\$ 55,896	\$ 54,336

(1) Includes \$6.1 billion as of December 31, 2014 and \$6.4 billion as of December 31, 2013 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 December 31, 2014 and \$0.8 billion as of December 31, 2013 related to the GMIB liability.

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

(Dollars in millions)

Sector	As of December 31, 2014				As of December 31, 2013			
	Public	Private	Total ⁽¹⁾	% of Fixed Maturities	Public	Private	Total ⁽¹⁾	% of Fixed Maturities
United States Government	\$ 954	\$ -	\$ 954	5%	\$ 880	\$ -	\$ 880	5%
States and Local Government	1,856	-	1,856	10%	2,144	-	2,144	13%
Foreign Government	1,872	68	1,940	10%	1,391	53	1,444	9%
Government	4,682	68	4,750	25%	4,415	53	4,468	27%
Basic Industry	1,410	860	2,270	12%	1,057	798	1,855	12%
Capital Goods	751	1,035	1,786	9%	444	890	1,334	8%
Communications	858	25	883	5%	575	57	632	4%
Consumer	1,739	1,123	2,862	15%	1,353	999	2,352	15%
Electric and Utility	1,091	916	2,007	11%	583	732	1,315	8%
Energy and Natural Gas	798	653	1,451	8%	695	615	1,310	8%
Financial	1,475	512	1,987	10%	1,568	382	1,950	12%
Other	158	94	252	1%	169	64	233	1%
Corporate	8,280	5,218	13,498	71%	6,444	4,537	10,981	68%
Collateralized Debt Obligations	9	-	9	0%	21	-	21	0%
Credit Card	30	-	30	0%	48	1	49	0%
Home Equity	1	-	1	0%	1	-	1	0%
Foreign Bank Obligations	-	334	334	2%	-	463	463	3%
Other	24	252	276	2%	4	346	350	2%
Asset-Backed Securities	64	586	650	4%	74	810	884	5%
Commercial Mortgage-Backed Securities	74	-	74	0%	76	-	76	0%
Collateralized Mortgage Obligations	10	1	11	0%	76	1	77	0%
Total Fixed Maturities ⁽²⁾	\$ 13,110	\$ 5,873	\$ 18,983	100%	\$ 11,085	\$ 5,401	\$ 16,486	100%
% of Fixed Maturities	69%	31%	100%		67%	33%	100%	

(1) 90% and 88% of fixed maturities were investment grade as of December 31, 2014 and December 31, 2013, respectively. 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 and \$21 million as of December 31, 2014 and December 31, 2013, respectively. For more information, please refer to Cigna's Form 10-K for the period ended December 31, 2014 expected to be filed on February 26, 2015.

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

(Dollars in millions)

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
Government	4,114	643	7	4,750
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
Corporate	12,517	1,014	33	13,498
Collateralized Debt Obligations	5	4	-	9
Credit Card	30	-	-	30
Home Equity	1	-	-	1
Foreign Bank Obligations	266	69	1	334
Other	262	14	-	276
Asset-Backed Securities	564	87	1	650
Commercial Mortgage-Backed Securities	72	3	1	74
Collateralized Mortgage Obligations	11	-	-	11
Total Fixed Maturities	\$ 17,278	\$ 1,747	\$ 42	\$ 18,983

Sector	As of December 31, 2013			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States Government	\$ 640	\$ 242	\$ 2	\$ 880
State and Local Government	1,983	167	6	2,144
Foreign Government	1,392	64	12	1,444
Government	4,015	473	20	4,468
Basic Industry	1,755	119	19	1,855
Capital Goods	1,232	107	5	1,334
Communications	591	43	2	632
Consumer	2,211	154	13	2,352
Electric and Utility	1,226	102	13	1,315
Energy and Natural Gas	1,212	105	7	1,310
Financial	1,848	115	13	1,950
Other	231	4	2	233
Corporate	10,306	749	74	10,981
Collateralized Debt Obligations	17	4	-	21
Credit Card	49	-	-	49
Home Equity	1	-	-	1
Foreign Bank Obligations	396	68	1	463
Other	336	15	1	350
Asset-Backed Securities	799	87	2	884
Commercial Mortgage-Backed Securities	75	3	2	76
Collateralized Mortgage Obligations	78	-	1	77
Total Fixed Maturities	\$ 15,273	\$ 1,312	\$ 99	\$ 16,486

Cigna Corporation
Summary of Commercial Mortgage Loans (unaudited)
As of December 31, 2014

(Dollars in millions)

Geographic Region	Property Type						Total ⁽¹⁾	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other		
Massachusetts	\$ 123	\$ 57	\$ 13	\$ 60	\$ -	\$ -	\$ 253	12%
Other ⁽²⁾	-	-	7	-	17	-	24	1%
New England	123	57	20	60	17	-	277	13%
New York	135	55	-	-	-	-	190	9%
New Jersey	41	-	56	-	-	-	97	5%
Middle Atlantic	176	55	56	-	-	-	287	14%
Virginia	161	-	-	55	21	-	237	11%
Florida	-	-	106	-	-	-	106	5%
Georgia	-	21	65	-	-	-	86	4%
North Carolina	-	34	30	-	-	-	64	3%
Maryland	37	-	-	21	-	6	64	3%
Other ⁽²⁾	-	-	-	-	15	-	15	1%
South Atlantic	198	55	201	76	36	6	572	27%
Texas	-	19	2	-	33	-	54	3%
Other ⁽²⁾	37	6	99	-	18	-	160	8%
Central	37	25	101	-	51	-	214	11%
Other ⁽²⁾	-	21	3	70	-	-	94	5%
Mountain	-	21	3	70	-	-	94	5%
California	118	37	73	145	150	22	545	26%
Oregon	34	-	12	-	18	-	64	3%
Other ⁽²⁾	14	14	-	-	-	-	28	1%
Pacific	166	51	85	145	168	22	637	30%
Totals	\$ 700	\$ 264	\$ 466	\$ 351	\$ 272	\$ 28	\$ 2,081	100%
% of Mortgage Loans	34%	13%	22%	17%	13%	1%	100%	

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$208 million and \$158 million as of December 31, 2014 and December 31, 2013, respectively. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-K for the period ended December 31, 2014, expected to be filed on February 26, 2015.

(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, 2014

(Dollars in millions)

	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other	Total	% of Mortgage Loans
Loan to Value Ratio ⁽¹⁾	57%	60%	72%	61%	67%	59%	63%	
Origination Years								
Pre-2010	\$ 400	\$ 63	\$ 223	\$ 148	\$ 129	\$ 22	\$ 985	47%
2010	51	-	71	-	-	-	122	6%
2011	118	21	99	39	29	-	306	15%
2012	32	103	2	101	95	-	333	16%
2013	16	-	-	32	-	6	54	3%
2014	83	77	71	31	19	-	281	13%
Totals	\$ 700	\$ 264	\$ 466	\$ 351	\$ 272	\$ 28	\$ 2,081	100%

(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 completed in the second quarter of 2014. For more information, please refer to Cigna's Form 10-K for the period ended December 31, 2014, expected to be filed on February 26, 2015.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Year Ended December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,094	\$ 1,478
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	588	597
Realized investment gains	(154)	(213)
Deferred income taxes	(22)	197
Net changes in assets and liabilities, net of non-operating effects:		
Premiums, accounts and notes receivable	(780)	(110)
Reinsurance recoverables	22	369
Deferred policy acquisition costs	(176)	(227)
Other assets	(265)	405
Insurance liabilities	457	1,040
Accounts payable, accrued expenses and other liabilities ⁽¹⁾	202	(483)
Current income taxes	111	(56)
Other, net	(83)	(82)
Subtotal	1,994	2,915
Cash used to effectively exit run-off reinsurance business	-	(2,196)
Net cash provided by operating activities	1,994	719
Net cash (used in) / provided by investing activities	(1,755)	15
Net cash used in financing activities	(1,582)	(930)
Effect of foreign currency rate changes on cash and cash equivalents	(32)	13
Net decrease in cash and cash equivalents	(1,375)	(183)
Cash and cash equivalents, beginning of year	2,795	2,978
Cash and cash equivalents, end of period	\$ 1,420	\$ 2,795

(1) Includes pre-tax domestic qualified pension plan contributions of \$113 million for the period ended December 31, 2014 and \$195 million for the period ended December 31, 2013.