

# **Cigna Corporation**

## **Quarterly Financial Supplement December 31, 2017**

*This document is dated February 1, 2018. 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**  
**December 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 fourth quarter of 2017, we are reporting a special item resulting from the enactment of U.S. tax reform legislation of \$196 million. This special item primarily consists of additional tax expense due to the revaluation of net deferred tax assets to reflect the reduction of the corporate tax rate and the assessment of U.S. taxes related to our accumulated unremitted foreign earnings. For additional details, please refer to the Income Taxes footnote to the Consolidated Financial Statements in Cigna's Form 10-K for the year ended December 31, 2017 expected to be filed on February 28, 2018.*

*Cigna will adopt the new GAAP revenue recognition standard (Accounting Standards Update ("ASU") 2014-09) in first quarter 2018. Page 17 of this document contains a comparison of 2017 and 2016 key income statement line items and ratios as reported and as revised under the new standard. For more information about this standard, please refer to the Summary of Significant Accounting Policies footnote to the Consolidated Financial statements in Cigna's Form 10-K for the year ended December 31, 2017 expected to be filed on February 28, 2018.*

*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 December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>REVENUES</b>						
<b>Total revenues</b>	\$ 10,531	\$ 9,944	6 %	\$ 41,616	\$ 39,668	5 %
Net realized investment (gains)	(23)	(59)	61	(237)	(169)	(40)
Operating revenues	\$ 10,508	\$ 9,885	6 %	\$ 41,379	\$ 39,499	5 %
<b>Operating Revenues by Segment</b>						
Global Health Care	\$ 8,265	\$ 7,762	6 %	\$ 32,617	\$ 31,199	5 %
Global Supplemental Benefits	1,023	878	17	3,872	3,385	14
Group Disability and Life	1,109	1,125	(1)	4,441	4,443	-
Corporate and Other	111	120	(8)	449	472	(5)
Consolidated operating revenues	\$ 10,508	\$ 9,885	6 %	\$ 41,379	\$ 39,499	5 %
<b>SHAREHOLDERS' NET INCOME</b>						
<b>Shareholders' net income</b>	\$ 266	\$ 382	(30) %	\$ 2,237	\$ 1,867	20 %
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(16)	(38)		(156)	(109)	
Amortization of other acquired intangibles assets, net	12	22		66	94	
Special items (see details on page 2)	221	119		521	252	
Adjusted income from operations	\$ 483	\$ 485	- %	\$ 2,668	\$ 2,104	27 %
<b>Adjusted Income (Loss) From Operations by Segment</b>						
Global Health Care	\$ 397	\$ 406	(2) %	\$ 2,173	\$ 1,852	17 %
Global Supplemental Benefits	81	63	29	369	294	26
Group Disability and Life	61	69	(12)	285	125	128
Ongoing operations	539	538	-	2,827	2,271	24
Corporate and Other	(56)	(53)	(6)	(159)	(167)	5
Total adjusted income from operations	\$ 483	\$ 485	- %	\$ 2,668	\$ 2,104	27 %
Diluted earnings per share:						
Shareholders' net income	\$ 1.07	\$ 1.47	(27) %	\$ 8.77	\$ 7.19	22 %
Adjusted income from operations	\$ 1.94	\$ 1.87	4 %	\$ 10.46	\$ 8.10	29 %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization <sup>(1)</sup>	\$ 917	\$ 934	(2) %	\$ 4,703	\$ 4,025	17 %
<b>CUSTOMER RELATIONSHIPS</b>						
As of December 31,						
(Relationships, lives and policies in thousands)						
	2017	2016	% Change			
<b>Global Health Care Medical Customers</b> (see page 7)	15,907	15,197	5 %			
<b>Other Customer Relationships:</b> (see page 7)						
Behavioral care	26,849	25,790	4			
Dental	15,801	14,981	5			
Pharmacy	8,960	8,461	6			
Medicare Part D	821	972	(16)			
Global Supplemental Benefit Policies (see page 9)	13,138	12,151	8			
Group Disability and Life covered lives (estimated) <sup>(2)</sup>	15,800	15,600	1			
Total customer relationships	97,276	93,152	4 %			

(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)

	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
<b>Three Months Ended December 31,</b>												
Shareholders' net income (loss)	\$1.07	\$1.47	\$266	\$382	\$529	\$337	\$19	\$54	\$105	\$83	\$(387)	\$(92)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.06)	(0.14)	(16)	(38)	(3)	(29)	(15)	5	(5)	(14)	7	-
Amortization of other acquired intangible assets, net	0.05	0.08	12	22	8	18	4	4	-	-	-	-
Special items:												
U.S. tax reform	0.78	-	196	-	(137)	-	73	-	(39)	-	299	-
Transaction-related costs	0.10	0.15	25	39	-	-	-	-	-	-	25	39
Risk corridor allowance	-	0.31	-	80	-	80	-	-	-	-	-	-
Adjusted income (loss) from operations	\$1.94	\$1.87	\$483	\$485	\$397	\$406	\$81	\$63	\$61	\$69	\$(56)	\$(53)
Weighted average shares (in thousands)	249,181	259,882										
Special items, pre-tax:												
U.S. tax reform			\$(56)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$(56)	\$-
Transaction-related costs			38	43	-	-	-	-	-	-	38	43
Risk corridor allowance			-	124	-	124	-	-	-	-	-	-
Total			\$(18)	\$167	\$-	\$124	\$-	\$-	\$-	\$-	\$(18)	\$43

(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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>Year Ended December 31,</b>												
Shareholders' net income (loss)	\$8.77	\$7.19	\$2,237	\$1,867	\$2,282	\$1,751	\$302	\$268	\$358	\$164	\$(705)	\$(316)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.61)	(0.42)	(156)	(109)	(88)	(78)	(24)	6	(49)	(39)	5	2
Amortization of other acquired intangible assets, net	0.26	0.36	66	94	48	74	18	20	-	-	-	-
Special items:												
U.S. tax reform	0.77	-	196	-	(137)	-	73	-	(39)	-	299	-
Debt extinguishment costs	0.82	-	209	-	-	-	-	-	-	-	209	-
Long-term care guaranty fund assessment	0.32	-	83	-	68	-	-	-	15	-	-	-
Transaction-related costs <sup>(1)</sup>	0.13	0.56	33	147	-	-	-	-	-	-	33	147
Risk corridor allowance	-	0.31	-	80	-	80	-	-	-	-	-	-
Charges associated with litigation matters	-	0.10	-	25	-	25	-	-	-	-	-	-
Adjusted income (loss) from operations	\$10.46	\$8.10	\$2,668	\$2,104	\$2,173	\$1,852	\$369	\$294	\$285	\$125	\$(159)	\$(167)
Weighted average shares (in thousands)	255,072	259,647										
Common shares outstanding as of December 31, (in thousands)	243,967	256,869										
Special items, pre-tax:												
U.S. tax reform			\$(56)	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$(56)	\$-
Debt extinguishment costs			321	-	-	-	-	-	-	-	321	-
Long-term care guaranty fund assessment			129	-	106	-	-	-	23	-	-	-
Transaction-related costs <sup>(1)</sup>			126	166	-	-	-	-	-	-	126	166
Risk corridor allowance			-	124	-	124	-	-	-	-	-	-
Charges associated with litigation matters			-	40	-	40	-	-	-	-	-	-
Total			\$520	\$330	\$106	\$164	\$-	\$-	\$23	\$-	\$391	\$166

(1) For additional information related to a one-time tax benefit of approximately \$60 million recorded in the second quarter of 2017, please refer to Note 3 to the Consolidated Financial Statements in Cigna's Form 10-K for the year ended December 31, 2017 expected to be filed on February 28, 2018.

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

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 8,164	\$ 7,621	7 %	\$ 32,307	\$ 30,626	5 %
Fees	1,191	1,139	5	4,608	4,485	3
Net investment income	317	299	6	1,226	1,147	7
Mail order pharmacy revenues	779	759	3	2,979	2,966	-
Other revenues	57	67	(15)	259	275	(6)
Consolidated operating revenues	10,508	9,885	6	41,379	39,499	5
Net realized investment gains	23	59	(61)	237	169	40
Total revenues	10,531	9,944	6	41,616	39,668	5
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	5,178	4,779	8	19,967	19,009	5
Other benefit expenses excluding special items	1,395	1,352	3	5,439	5,477	(1)
Mail order pharmacy costs	637	626	2	2,456	2,468	-
Operating expenses excluding special items	2,380	2,202	8	8,819	8,544	3
Depreciation and amortization:						
Amortization of other acquired intangible assets, net	27	36	(25)	115	151	(24)
Depreciation and other amortization	114	114	-	451	459	(2)
Total depreciation and amortization	141	150	(6)	566	610	(7)
Interest expense	60	63	(5)	243	251	(3)
Special items (see details on page 2)	(18)	167	(111)	520	330	58
Total benefits and expenses	9,773	9,339	5	38,010	36,689	4
Income before income taxes	758	605	25	3,606	2,979	21
Income taxes (see details on page 2): <sup>(1)</sup>						
Current	311	220	41	1,132	1,062	7
Deferred	180	11	N/M	242	74	227
Total taxes	491	231	113	1,374	1,136	21
<b>Net income</b>	267	374	(29)	2,232	1,843	21
<b>Less: net income (loss) attributable to noncontrolling interests</b>	1	(8)	113	(5)	(24)	79
<b>Shareholders' net income</b>	\$ 266	\$ 382	(30) %	\$ 2,237	\$ 1,867	20 %

(1) Includes the impact of U.S. tax reform that is reported as a special item. See page 2 for additional details.

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

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 6,160	\$ 5,748	7 %	\$ 24,538	\$ 23,295	5 %
Fees	1,166	1,109	5	4,503	4,368	3
Net investment income	105	85	24	378	315	20
Mail order pharmacy revenues	779	759	3	2,979	2,966	-
Other revenues	<u>55</u>	<u>61</u>	(10)	<u>219</u>	<u>255</u>	(14)
Operating revenues	8,265	7,762	6	32,617	31,199	5
Net realized investment gains	<u>3</u>	<u>46</u>	(93)	<u>136</u>	<u>119</u>	14
Total revenues	<u>8,268</u>	<u>7,808</u>	6	<u>32,753</u>	<u>31,318</u>	5
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	5,178	4,779	8	19,967	19,009	5
Mail order pharmacy costs	637	626	2	2,456	2,468	-
Operating expenses excluding special items	1,831	1,710	7	6,825	6,708	2
Amortization of other acquired intangible assets, net	21	29	(28)	86	118	(27)
Special items (see details on page 2)	<u>-</u>	<u>124</u>	(100)	<u>106</u>	<u>164</u>	(35)
Benefits and expenses	<u>7,667</u>	<u>7,268</u>	5	<u>29,440</u>	<u>28,467</u>	3
Income before income taxes	601	540	11	3,313	2,851	16
Income taxes <sup>(1)</sup>	72	204	(65)	1,033	1,103	(6)
(Loss) attributable to noncontrolling interests	-	(1)	100	(2)	(3)	33
Shareholders' net income from Global Health Care	529	337	57	2,282	1,751	30
After-tax adjustments required to reconcile to adjusted income from operations:						
Net realized investment (gains)	(3)	(29)		(88)	(78)	
Amortization of other acquired intangible assets, net	8	18		48	74	
Special items (see details on page 2)	<u>(137)</u>	<u>80</u>		<u>(69)</u>	<u>105</u>	
<b>Adjusted income from operations</b>	<b>\$ 397</b>	<b>\$ 406</b>	<b>(2) %</b>	<b>\$ 2,173</b>	<b>\$ 1,852</b>	<b>17 %</b>

(1) Includes the impact of U.S. tax reform that is reported as a special item. See details on page 2.

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

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Premiums:</b>						
Guaranteed cost	\$ 1,589	\$ 1,160	37 %	\$ 6,245	\$ 4,610	35 %
Experience-rated <sup>(1)</sup>	690	621	11	2,741	2,383	15
Stop loss	901	796	13	3,483	3,082	13
International health care	496	462	7	1,934	1,859	4
Dental	457	407	12	1,791	1,586	13
Medicare	1,360	1,546	(12)	5,534	6,621	(16)
Medicaid	255	286	(11)	1,061	1,146	(7)
Medicare Part D	163	244	(33)	764	1,122	(32)
Other	249	226	10	985	886	11
<b>Total premiums</b>	<b>6,160</b>	<b>5,748</b>	<b>7</b>	<b>24,538</b>	<b>23,295</b>	<b>5</b>
Fees, including international health care	1,166	1,109	5	4,503	4,368	3
<b>Premiums and fees</b>	<b>7,326</b>	<b>6,857</b>	<b>7</b>	<b>29,041</b>	<b>27,663</b>	<b>5</b>
Net investment income	105	85	24	378	315	20
Mail order pharmacy revenues <sup>(2)</sup>	779	759	3	2,979	2,966	-
Other revenues <sup>(3)</sup>	55	61	(10)	219	255	(14)
<b>Operating revenues</b>	<b>\$ 8,265</b>	<b>\$ 7,762</b>	<b>6 %</b>	<b>\$ 32,617</b>	<b>\$ 31,199</b>	<b>5 %</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 December 31,			Year Ended December 31,		
	2017	2016	Change Favorable (Unfavorable)	2017	2016	Change Favorable (Unfavorable)
<u>Medical Care Ratios:</u>						
Commercial	84.3 %	83.1 %	(1.2)	79.9 %	79.3 %	(0.6)
Government	83.4 %	83.2 %	(0.2)	84.9 %	85.3 %	0.4
Consolidated Global Health Care	84.1 %	83.1 %	(1.0)	81.4 %	81.6 %	0.2
Operating expense ratio <sup>(1)</sup> <sup>(2)</sup>	22.2 %	22.0 %	(0.2)	20.9 %	21.5 %	0.6

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

(2) Operating expenses included the health insurance industry tax of approximately \$75 million for the three months ended December 31, 2016 and approximately \$310 million for the year ended December 31, 2016. There was a one-year moratorium on the industry tax for 2017. For additional details regarding taxes and fees related to the Patient Protection and Affordable Care and Education Reconciliation Act 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-K for the year ended December 31, 2017, expected to be filed on February 28, 2018.



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

<b>COVERED LIVES BY FUNDING TYPE:</b>	As of December 31,			<b>COVERED LIVES BY MARKET SEGMENT:</b> <sup>(5)</sup>	As of December 31,		
	2017	2016	% Change		2017	2016 <sup>(6)</sup>	% Change
<i>(Lives in thousands)</i>				<i>(Lives in thousands)</i>			
<b>Medical customers:</b> <sup>(1)</sup>				<b>Medical customers:</b> <sup>(1)</sup>			
Commercial risk:				U.S. Commercial:			
U.S. Guaranteed cost	1,188	871	36 %	National Accounts	3,690	3,589	3 %
U.S. Experience-rated <sup>(2)</sup>	901	858	5	Middle Market	8,399	8,025	5
International health care - risk	868	847	2	Select	1,503	1,340	12
Total commercial risk <sup>(2)</sup>	2,957	2,576	15	Individual <sup>(7)</sup>	297	168	77
				Small	1	1	-
Medicare	432	504	(14)	Total U.S. Commercial	13,890	13,123	6
Medicaid	55	62	(11)	International	1,530	1,508	1
Total risk	3,444	3,142	10	Total Commercial	15,420	14,631	5
				Medicare	432	504	(14)
				Medicaid	55	62	(11)
				Total Government	487	566	(14)
Total service, including international health care	12,463	12,055	3				
<b>Total medical customers</b>	<b>15,907</b>	<b>15,197</b>	<b>5 %</b>	<b>Total medical customers</b>	<b>15,907</b>	<b>15,197</b>	<b>5 %</b>

**Other Customer Relationships:**

Behavioral care <sup>(3)</sup>	26,849	25,790	4 %
Dental <sup>(3)</sup>	15,801	14,981	5 %
Pharmacy <sup>(3)</sup>	8,960	8,461	6 %
Medicare Part D <sup>(4)</sup>	821	972	(16) %

(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.

(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 December 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.

(7) As of December 31, 2017, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (214,000 customers), off-exchange ACA business (40,000 customers) and off-exchange non ACA business (43,000 customers).

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

<i>(Dollars in millions)</i>	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 982	\$ 837	17 %	\$ 3,684	\$ 3,226	14 %
Fees	5	5	-	23	21	10
Net investment income	32	28	14	122	110	11
Other revenues	4	8	(50)	43	28	54
Operating revenues	1,023	878	17	3,872	3,385	14
Net realized investment gains (losses)	20	(5)	N/M	32	(5)	N/M
Total revenues	1,043	873	19	3,904	3,380	16
<b>Benefits and Expenses:</b>						
Benefit expenses	530	461	15	2,033	1,784	14
Operating expenses <sup>(1)</sup>	376	336	12	1,345	1,235	9
Amortization of other acquired intangible assets, net	6	7	(14)	29	33	(12)
Benefits and expenses	912	804	13	3,407	3,052	12
Income before income taxes	131	69	90	497	328	52
Income taxes <sup>(2)</sup>	111	22	N/M	198	81	144
Income (loss) attributable to noncontrolling interests	1	(7)	114	(3)	(21)	86
Shareholders' net income from Global Supplemental Benefits	19	54	(65)	302	268	13
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains) losses	(15)	5		(24)	6	
Amortization of other acquired intangible assets, net	4	4		18	20	
Special items (see details on page 2)	73	-		73	-	
<b>Adjusted income from operations</b>	<b>\$ 81</b>	<b>\$ 63</b>	<b>29 %</b>	<b>\$ 369</b>	<b>\$ 294</b>	<b>26 %</b>

(1) Operating expenses include policy acquisition expenses of \$186 million for the three months and \$670 million for the year ended December 31, 2017 and \$170 million for the three months and \$628 million for the year ended December 31, 2016.

(2) Includes the impact of U.S. tax reform that is reported as a special item. See details on page 2.

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:

<i>(Dollars in millions)</i>	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Excluding the Effect of Foreign Currency Movements:</b>						
Premiums and fees	\$ 987	\$ 867	14 %	\$ 3,707	\$ 3,287	13 %
Adjusted income from operations	\$ 81	\$ 66	23 %	\$ 369	\$ 300	23 %

**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,		
	2017	2016	% Change	2017	2016	% Change
Korea	\$ 501	\$ 437	15 %	\$ 1,891	\$ 1,665	14 %
U.S.	233	163	43	843	628	34
Taiwan	72	73	(1)	276	271	2
U.K.	33	35	(6)	133	160	(17)
Turkey	26	22	18	97	89	9
Other	122	112	9	467	434	8
<b>Total <sup>(1)</sup></b>	<b>\$ 987</b>	<b>\$ 842</b>	<b>17 %</b>	<b>\$ 3,707</b>	<b>\$ 3,247</b>	<b>14 %</b>
China Joint Venture <sup>(1)</sup>	\$ 274	\$ 219	25 %	\$ 1,100	\$ 813	35 %

  

NUMBER OF POLICIES:	As of December 31,		
	2017	2016	% Change
(Policies in thousands)			
Global Supplemental Benefits Policies <sup>(2)</sup>	13,138	12,151	8 %
China Joint Venture <sup>(1)</sup>	1,901	1,651	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.

(2) In third quarter 2017, Cigna deconsolidated its joint venture in India. As a result, starting in the three months ended September 30, 2017, Cigna's 49% share of the joint venture's results is reported in Other Revenues and the Global Supplemental Benefits policy count excludes policies from the India joint venture.

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

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums:						
Life	\$ 427	\$ 449	(5) %	\$ 1,737	\$ 1,783	(3) %
Disability	503	495	2	1,988	1,949	2
Other	64	66	(3)	260	270	(4)
Total premiums	994	1,010	(2)	3,985	4,002	-
Fees	26	25	4	103	96	7
Net investment income	88	90	(2)	350	343	2
Other revenues	1	-	N/M	3	2	50
Operating revenues	1,109	1,125	(1)	4,441	4,443	-
Net realized investment gains	7	21	(67)	74	59	25
Total revenues	1,116	1,146	(3)	4,515	4,502	-
<b>Benefits and Expenses:</b>						
Benefit expenses	775	804	(4)	3,076	3,354	(8)
Operating expenses excluding special items	245	227	8	945	919	3
Special items (see details on page 2)	-	-	N/M	23	-	N/M
Benefits and expenses	1,020	1,031	(1)	4,044	4,273	(5)
Income before income taxes	96	115	(17)	471	229	106
Income taxes <sup>(1)</sup>	(9)	32	(128)	113	65	74
Shareholders' net income from Group Disability and Life	105	83	27	358	164	118
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(5)	(14)		(49)	(39)	
Special items (see details on page 2)	(39)	-		(24)	-	
<b>Adjusted income from operations</b>	<b>\$ 61</b>	<b>\$ 69</b>	<b>(12) %</b>	<b>\$ 285</b>	<b>\$ 125</b>	<b>128 %</b>

(1) Includes the impact of U.S. tax reform that is reported as a special item. See details on page 2.

**Cigna Corporation**  
**Corporate and Other <sup>(1)</sup>**  
**Segment Results (unaudited)**

	Three Months Ended December 31,			Year Ended December 31,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums <sup>(2)</sup>	\$ 28	\$ 26	8 %	\$ 100	\$ 103	(3) %
Fees <sup>(2)</sup>	(6)	-	N/M	(21)	-	N/M
Net investment income	92	96	(4)	376	379	(1)
Other revenues <sup>(2)</sup>	<u>(3)</u>	<u>(2)</u>	(50)	<u>(6)</u>	<u>(10)</u>	40
Operating revenues	111	120	(8)	449	472	(5)
Net realized investment losses	<u>(7)</u>	<u>(3)</u>	(133)	<u>(5)</u>	<u>(4)</u>	(25)
Total revenues	<u>104</u>	<u>117</u>	(11)	<u>444</u>	<u>468</u>	(5)
<b>Benefits and Expenses:</b>						
Benefit expenses	90	87	3	330	339	(3)
Operating expenses excluding special items <sup>(2)</sup>	102	106	(4)	398	392	2
Special items (see details on page 2)	<u>(18)</u>	<u>43</u>	(142)	<u>391</u>	<u>166</u>	136
Benefits and expenses	<u>174</u>	<u>236</u>	(26)	<u>1,119</u>	<u>897</u>	25
(Loss) before income taxes	(70)	(119)	41	(675)	(429)	(57)
Income tax expense (benefits) <sup>(3),(4)</sup>	317	(27)	N/M	30	(113)	127
Shareholders' net (loss) from Corporate and Other Operations	(387)	(92)	N/M	(705)	(316)	(123)
Adjustments to reconcile to adjusted (loss) from operations:						
Net realized investment losses	7	-		5	2	
Special items (see details on page 2) <sup>(3)</sup>	324	39		541	147	
<b>Adjusted (loss) from operations</b>	<b>\$ (56)</b>	<b>\$ (53)</b>	<b>(6) %</b>	<b>\$ (159)</b>	<b>\$ (167)</b>	<b>5 %</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.

(3) For additional information related to a one-time tax benefit of approximately \$60 million recorded in the second quarter of 2017, please refer to Note 3 to the Consolidated Financial Statements in Cigna's Form 10-K for the year ended December 31, 2017 expected to be filed on February 28, 2018.

(4) Includes the impact of U.S. tax reform that is reported as a special item. See page 2 for additional details.

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

(Dollars in millions)

	As of December 31, 2017 (Unaudited)	As of December 31, 2016		As of December 31, 2017 (Unaudited)	As of December 31, 2016
<b>Assets</b>			<b>Liabilities</b>		
Investments:					
Fixed maturities, at fair value (see pages 13 and 14) (amortized cost, \$21,867 and \$19,942)	\$ 23,138	\$ 20,961	Contractholder deposit funds	\$ 8,196	\$ 8,458
Equity securities, at fair value (cost, \$589 and \$583)	588	583	Future policy benefits	10,040	9,648
Commercial mortgage loans (see page 15)	1,761	1,666	Unpaid claims and claim expenses	5,168	4,917
Policy loans	1,415	1,452	Global Health Care medical costs payable	2,719	2,532
Other long-term investments	1,518	1,462	Unearned premiums	724	634
Short-term investments	199	691	Total insurance and contractholder liabilities	26,847	26,189
Total investments	28,619	26,815	Accounts payable, accrued expenses and other liabilities	7,260	6,414
Cash and cash equivalents	2,972	3,185	Short-term debt	240	276
Premiums, accounts and notes receivable, net	3,380	3,077	Long-term debt	5,199	4,756
Reinsurance recoverables <sup>(1)</sup>	6,046	6,478	Separate account liabilities	8,423	7,940
Deferred policy acquisition costs	2,237	1,818	Total liabilities	47,969	45,575
Property and equipment	1,563	1,536	Redeemable noncontrolling interests	49	58
Deferred tax assets, net	33	304	<b>Shareholders' Equity</b>		
Goodwill	6,164	5,980	Common stock	74	74
Other assets, including other intangibles <sup>(2)</sup>	2,316	2,227	Additional paid-in capital	2,940	2,892
Separate account assets	8,423	7,940	Accumulated other comprehensive loss	(1,082)	(1,382)
			Retained earnings	15,824	13,855
			Less treasury stock, at cost	(4,021)	(1,716)
			Total shareholders' equity	13,735	13,723
			Noncontrolling interests	-	4
			Total equity	13,735	13,727
Total assets	\$ 61,753	\$ 59,360	Total liabilities and equity	\$ 61,753	\$ 59,360

(1) Includes \$5.2 billion as of December 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 December 31, 2017 and 2016 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, 2017				As of December 31, 2016			
	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities	Public	Private	Total <sup>(1)</sup>	% of Fixed Maturities
United States government	\$ 779	\$ -	\$ 779	3%	\$ 877	\$ -	\$ 877	4%
States and local government	1,287	-	1,287	6%	1,435	-	1,435	7%
Foreign government	2,410	77	2,487	11%	2,035	78	2,113	10%
Government	4,476	77	4,553	20%	4,347	78	4,425	21%
Basic industry	1,892	1,240	3,132	13%	1,757	995	2,752	13%
Capital goods	1,070	990	2,060	9%	894	999	1,893	9%
Communications	1,020	111	1,131	5%	985	58	1,043	5%
Consumer	2,931	1,102	4,033	17%	2,621	884	3,505	17%
Electric and utility	1,138	1,204	2,342	10%	950	1,082	2,032	10%
Energy and natural gas	1,145	619	1,764	8%	1,072	652	1,724	8%
Financial	2,834	621	3,455	15%	2,406	573	2,979	14%
Other	83	88	171	1%	51	71	122	1%
Corporate	12,113	5,975	18,088	78%	10,736	5,314	16,050	77%
Mortgage and other asset-backed	87	410	497	2%	91	395	486	2%
<b>Total fixed maturities <sup>(2)</sup></b>	<b>\$ 16,676</b>	<b>\$ 6,462</b>	<b>\$ 23,138</b>	<b>100%</b>	<b>\$ 15,174</b>	<b>\$ 5,787</b>	<b>\$ 20,961</b>	<b>100%</b>
% of fixed maturities	72%	28%	100%		72%	28%	100%	

(1) 89% of fixed maturities were investment grade as of December 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 \$48 million as of December 31, 2017 and \$66 million as of December 31, 2016. For more information, please refer to Cigna's Form 10-K for the year ended December 31, 2017 expected to be filed on February 28, 2018.

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

(Dollars in millions)

Sector	As of December 31, 2017			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States government	\$ 541	\$ 239	\$ 1	\$ 779
State and local government	1,196	93	2	1,287
Foreign government	2,360	142	15	2,487
Government	4,097	474	18	4,553
Basic industry	2,973	173	14	3,132
Capital goods	1,967	102	10	2,059
Communications	1,091	46	5	1,132
Consumer	3,872	175	14	4,033
Electric and utility	2,187	167	12	2,342
Energy and natural gas	1,680	93	9	1,764
Financial	3,357	109	12	3,454
Other	174	3	5	172
Corporate	17,301	868	81	18,088
Mortgage and other asset-backed	469	29	1	497
<b>Total fixed maturities</b>	<b>\$ 21,867</b>	<b>\$ 1,371</b>	<b>\$ 100</b>	<b>\$ 23,138</b>

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
<b>\$ 19,942</b>	<b>\$ 1,196</b>	<b>\$ 177</b>	<b>\$ 20,961</b>



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

(Dollars in millions)

Geographic Region	Property Type							Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 59	\$ 74	\$ 2	\$ 89	\$ -	\$ -	\$ 224	13%	
Other <sup>(2)</sup>	-	-	-	-	14	-	14	1%	
<b>New England</b>	<b>59</b>	<b>74</b>	<b>2</b>	<b>89</b>	<b>14</b>	<b>-</b>	<b>238</b>	<b>14%</b>	
New York	50	55	-	-	-	-	105	6%	
New Jersey	-	42	56	-	-	-	98	6%	
<b>Middle Atlantic</b>	<b>50</b>	<b>97</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>203</b>	<b>12%</b>	
Virginia	112	-	-	-	-	-	112	6%	
North Carolina	-	45	-	-	-	-	45	3%	
Other <sup>(2)</sup>	-	20	-	20	13	-	53	3%	
<b>South Atlantic</b>	<b>112</b>	<b>65</b>	<b>-</b>	<b>20</b>	<b>13</b>	<b>-</b>	<b>210</b>	<b>12%</b>	
Illinois	66	59	-	-	-	-	125	7%	
Texas	47	65	-	-	-	-	112	6%	
<b>Central</b>	<b>113</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>13%</b>	
Other <sup>(2)</sup>	-	-	-	32	-	-	32	2%	
<b>Mountain</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>-</b>	<b>-</b>	<b>32</b>	<b>2%</b>	
California	265	118	121	-	91	28	623	35%	
Washington	20	102	-	-	-	-	122	7%	
Oregon	33	28	18	-	17	-	96	5%	
<b>Pacific</b>	<b>318</b>	<b>248</b>	<b>139</b>	<b>-</b>	<b>108</b>	<b>28</b>	<b>841</b>	<b>47%</b>	
<b>Totals</b>	<b>\$ 652</b>	<b>\$ 608</b>	<b>\$ 197</b>	<b>\$ 141</b>	<b>\$ 135</b>	<b>\$ 28</b>	<b>\$ 1,761</b>	<b>100%</b>	
% of Mortgage Loans	<b>37%</b>	<b>35%</b>	<b>11%</b>	<b>8%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>		
Loan to Value Ratio <sup>(3)</sup>	<b>57%</b>	<b>60%</b>	<b>55%</b>	<b>56%</b>	<b>49%</b>	<b>57%</b>	<b>57%</b>		

(1) Problem and potential problem commercial mortgage loans carried at amortized cost, net of impairments, were \$21 million as of December 31, 2016. There were no problem or potential problem commercial mortgage loans as of December 31, 2017. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-K for the year ended December 31, 2017, expected to be filed on February 28, 2018.

(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 2017. For more information, please refer to Cigna's Form 10-K for the year ended December 31, 2017, expected to be filed on February 28, 2018.

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

(Dollars in millions)

	Year Ended December 31,	
	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 2,232	\$ 1,843
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:		
Depreciation and amortization	566	610
Realized investment (gains)	(237)	(169)
Deferred income taxes	242	74
Net changes in assets and liabilities, net of non-operating effects:		
Premiums, accounts and notes receivable	(233)	663
Reinsurance recoverables	214	142
Deferred policy acquisition costs	(282)	(213)
Other assets	(171)	134
Insurance liabilities	506	683
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>	639	124
Current income taxes	92	1
Debt extinguishment costs	321	-
Distributions from partnership investments	161	144
Other, net	36	(10)
<b>Net cash provided by operating activities</b>	<b>4,086</b>	<b>4,026</b>
<b>Net cash used in investing activities</b>	<b>(1,703)</b>	<b>(2,574)</b>
<b>Net cash used in financing activities <sup>(2)</sup></b>	<b>(2,651)</b>	<b>(225)</b>
Effect of foreign currency rate changes on cash and cash equivalents	55	(10)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(213)</b>	<b>1,217</b>
Cash and cash equivalents, beginning of year	3,185	1,968
Cash and cash equivalents, end of year	\$ 2,972	\$ 3,185

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

(2) Includes \$1,563 million for the early extinguishment and repayment of long-term debt and \$1,581 million for the issuance of long-term debt for the year ended December 31, 2017. There were no long-term debt repayments or issuances in 2016.

**Cigna Corporation**  
**Supplemental Financial Information (unaudited)**  
**Retrospectively Adjusted Results due to Required Implementation of Amended Accounting Guidance for Revenue Recognition<sup>(1)</sup>**

	Year Ended			
	December 31, 2017		December 31, 2016	
	As Reported	Adjusted	As Reported	Adjusted
<b>Premiums</b>				
Global Health Care	\$ 24,538	\$ 24,722	\$ 23,295	\$ 23,493
All Other	7,769	7,769	7,331	7,331
Total	\$ 32,307	\$ 32,491	\$ 30,626	\$ 30,824
<b>Fees and other revenues</b>				
Global Health Care	\$ 4,722	\$ 4,965	\$ 4,623	\$ 4,763
All Other	145	145	137	137
Total	\$ 4,867	\$ 5,110	\$ 4,760	\$ 4,900
<b>Global Health Care medical costs</b>	\$ 19,967	\$ 19,824	\$ 19,009	\$ 18,865
<b>Operating expenses excluding special item(s)</b>				
Global Health Care	\$ 6,825	\$ 7,395	\$ 6,708	\$ 7,191
All Other	2,688	2,688	2,546	2,546
Total	\$ 9,513	\$ 10,083	\$ 9,254	\$ 9,737
<b>Shareholders' net income</b>				
Global Health Care	\$ 2,282	\$ 2,282	\$ 1,751	\$ 1,751
All Other	(45)	(45)	116	116
Total	\$ 2,237	\$ 2,237	\$ 1,867	\$ 1,867
<b>Adjusted income from operations</b>				
Global Health Care	\$ 2,173	\$ 2,173	\$ 1,852	\$ 1,852
All Other	495	495	252	252
Total	\$ 2,668	\$ 2,668	\$ 2,104	\$ 2,104
<b>Diluted earnings per share:</b>				
Shareholders' net income	\$ 8.77	\$ 8.77	\$ 7.19	\$ 7.19
Adjusted income from operations	\$ 10.46	\$ 10.46	\$ 8.10	\$ 8.10
<b>Ratios</b>				
<b>Medical Care Ratios:</b>				
Commercial	79.9%	78.2%	79.3%	77.3%
Government	84.9%	84.9%	85.3%	85.3%
Consolidated Global Health Care	81.4%	80.2%	81.6%	80.3%
<b>Global Health Care Operating Expense Ratio</b>	20.9%	22.4%	21.5%	22.8%

(1) Cigna will adopt the new GAAP revenue recognition standard (ASU 2014-09) effective January 1, 2018.