

Cigna Corporation

Quarterly Financial Supplement December 31, 2019

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Cigna Corporation
December 31, 2019 Quarterly Financial Supplement
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BASIS OF PRESENTATION:

All dollar amounts are in millions, unless otherwise noted.

Cigna measures its financial results on a consolidated basis using adjusted income from operations and adjusted revenues. Adjusted income from operations and adjusted 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 a substitute for the most directly comparable GAAP measures which are shareholders' net income and total revenues. Cigna also uses adjusted income from operations to measure the results of its segments, however the segment metric is determined before income taxes.

Adjusted income from operations is defined as shareholders' net income (or income before income taxes for the segment metric) excluding the following adjustments: net realized investment results, amortization of acquired intangible assets, special items and earnings contributions from transitioning pharmacy benefit manager clients, Anthem Inc. and Coventry Health Care, Inc. (the "transitioning clients"). Adjusted income from operations is used as our principal financial measure of operating performance because management believes it best presents the underlying results of operations of Cigna's businesses and permits analysis of trends in underlying revenue, expenses and profitability.

Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported in the International Markets segment using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

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,		
	2019	2018	% Change	2019	2018	% Change
Total revenues	\$ 38,245	\$ 14,300	167 %	\$ 153,566	\$ 48,650	216 %
Revenue contributions from transitioning clients	(1,690)	(459)	(268)	(13,347)	(459)	N/M
Net realized investment results from certain equity method investments	(17)	20	(185)	(44)	43	(202)
Special item included in integration and transaction-related costs	-	(110)	100	-	(123)	(100)
Adjusted revenues ⁽¹⁾	\$ 36,538	\$ 13,751	166 %	\$ 140,175	\$ 48,111	191 %
Shareholders' net income	\$ 977	\$ 144	N/M	\$ 5,104	\$ 2,637	94 %
Pre-Tax Adjusted Income (Loss) From Operations by Segment						
Health Services	\$ 1,537	\$ 153	N/M	\$ 5,092	\$ 380	N/M
Integrated Medical	718	643	12 %	3,831	3,502	9 %
International Markets	155	120	29	762	735	4
Group Disability and Other	125	109	15	501	529	(5)
Corporate	(439)	(148)	(197)	(1,824)	(403)	N/M
Consolidated pre-tax adjusted income from operations	\$ 2,096	\$ 877	139 %	\$ 8,362	\$ 4,743	76 %
Adjusted income tax expense	476	230	107	1,886	1,186	59
Consolidated after-tax adjusted income from operations	\$ 1,620	\$ 647	150 %	\$ 6,476	\$ 3,557	82 %
Diluted earnings per share						
Shareholders' net income	\$ 2.60	\$ 0.55	N/M	\$ 13.44	\$ 10.54	28 %
After-tax adjustments to reconcile to adjusted income from operations						
Adjustment for transitioning clients	(0.26)	(0.18)		(3.46)	(0.19)	
Net realized investment (gains) losses	(0.24)	0.22		(0.50)	0.42	
Amortization of acquired intangible assets	1.47	0.39		5.92	0.71	
Special items						
Integration and transaction-related costs	0.31	1.53		1.11	2.67	
Charge for organizational efficiency plan	0.43	-		0.43	-	
Charges associated with litigation matters	-	(0.06)		0.11	0.08	
U.S. tax reform	-	0.01		-	(0.01)	
Adjusted income from operations	\$ 4.31	\$ 2.46	75 %	\$ 17.05	\$ 14.22	20 %
Weighted average shares (in thousands)	376,045	263,521		379,817	250,225	
Adjusted EBITDA ⁽²⁾	\$ 2,681	\$ 1,095	145 %	\$ 10,752	\$ 5,479	96 %
Operating cash flow (see page 12)	\$ 2,793	\$ 126	N/M	\$ 9,485	\$ 3,770	152 %
SG&A expense ratio ⁽³⁾	9.7 %	22.0 %	1,230 bps	9.3 %	23.2 %	1,390 bps
CUSTOMER RELATIONSHIPS						
	As of December 31,					
(Relationships, lives and policies in thousands)	2019	2018	% Change			
Pharmacy excluding transitioning clients	75,903	73,230	4 %			
Total Medical Customers (see page 7)	17,145	16,961	1			
Behavioral care	30,361	27,215	12			
Dental	17,231	16,544	4			
Medicare Part D	3,276	3,295	(1)			
International Markets policies	12,444	12,569	(1)			
Group Disability and Life covered lives (estimated)	15,400	14,800	4			
Total customer relationships	171,760	164,614	4 %			

(1) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

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

(3) SG&A expense ratio is calculated as follows: Cigna's total selling, general and administrative expenses excluding special items and expenses from transitioning clients divided by Cigna's consolidated adjusted revenues.

Cigna Corporation
Consolidated Income Statements (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Revenues						
Pharmacy revenues	\$ 25,645	\$ 3,257	N/M	\$ 103,099	\$ 5,479	N/M
Premiums	10,005	9,108	10 %	39,714	36,113	10 %
Fees and other revenues	2,240	1,491	50	9,363	5,578	68
Net investment income	355	444	(20)	1,390	1,480	(6)
Total revenues	38,245	14,300	167	153,566	48,650	216
Benefits and expenses						
Pharmacy and other service costs	24,103	3,017	N/M	97,668	4,793	N/M
Medical costs and other benefit expenses	7,889	7,108	11	30,819	27,528	12
Selling, general and administrative expenses excluding special items	3,603	3,040	19	13,243	11,159	19
Amortization of acquired intangible assets	735	136	N/M	2,949	235	N/M
Special items	354	440	(20)	810	775	5
Total benefits and expenses	36,684	13,741	167	145,489	44,490	227
Income from operations	1,561	559	179	8,077	4,160	94
Interest expense and other	(391)	(102)	(283)	(1,682)	(271)	N/M
Interest special item	-	(184)	100	-	(227)	100
Debt extinguishment costs	(2)	-	N/M	(2)	-	N/M
Net realized investment gains (losses)	93	(45)	N/M	177	(81)	N/M
Income before income taxes	1,261	228	N/M	6,570	3,581	83
Total income taxes	277	81	242	1,450	935	55
Net income	984	147	N/M	5,120	2,646	93
Less: Net income attributable to noncontrolling interests	7	3	133	16	9	78
Shareholders' net income	977	144	N/M	5,104	2,637	94
After-tax adjustments to reconcile adjusted income from operations						
Adjustment for transitioning clients	(99)	(47)		(1,316)	(47)	
Net realized investment (gains) losses	(90)	58		(190)	104	
Amortization of acquired intangible assets	554	103		2,248	177	
Special items						
Integration and transaction-related costs	116	402		427	669	
Charge for organizational efficiency plan	162	-		162	-	
Charges (benefits) associated with litigation matters	-	(16)		41	19	
U.S. tax reform	-	3		-	(2)	
Adjusted income from operations	\$ 1,620	\$ 647	150 %	\$ 6,476	\$ 3,557	82 %

Cigna Corporation
Health Services
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended December 31,		Year Ended December 31,	
	2019	2018	2019	2018
Revenues				
Pharmacy revenues	\$ 26,165	\$ 3,649	\$ 105,556	\$ 6,937
Fees and other revenues	1,082	119	4,178	119
Net investment income	13	4	60	9
Total revenues	27,260	3,772	109,794	7,065
Benefits and expenses				
Pharmacy and other service costs	24,983	3,459	100,886	6,461
Gross profit	2,277	313	8,908	604
Selling, general and administrative expenses	600	98	2,084	162
Amortization of acquired intangible assets	709	113	2,839	113
Income from operations	968	102	3,985	329
Interest expense and other	-	-	(2)	-
Income before income taxes	968	102	3,983	329
Pre-tax adjustments required to reconcile to adjusted income from operations				
Adjustment for transitioning clients	(137)	(62)	(1,726)	(62)
Pre-tax (income) attributable to noncontrolling interests	(3)	-	(4)	-
Amortization of acquired intangible assets	709	113	2,839	113
Pre-tax adjusted income from operations	\$ 1,537	\$ 153	\$ 5,092	\$ 380
Pre-tax adjusted margin	6.0 %	4.6 %	5.3 %	5.8 %
Reconciliation of total revenues to adjusted revenues				
Total revenues	\$ 27,260	3,772	\$ 109,794	\$ 7,065
Revenue contributions from transitioning clients	(1,690)	(459)	(13,347)	(459)
Adjusted revenues ⁽¹⁾	\$ 25,570	3,313	\$ 96,447	\$ 6,606

Fourth quarter and full year 2019 segment results include contributions from the acquired Express Scripts business. Fourth quarter and full year 2018 segment results include contributions from the acquired Express Scripts business for the period following the completion of the combination on December 20, 2018.

(1) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method of accounting. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

Cigna Corporation
Health Services
Key Metrics (unaudited)

(Dollars and adjusted scripts in millions)

	Three Months Ended December 31, 2019	Year Ended December 31, 2019
Selected Financial Information ⁽¹⁾		
Adjusted EBITDA ⁽²⁾	\$ 1,605	\$ 5,304
Pharmacy revenue by distribution channel ⁽¹⁾		
Network revenues	\$ 11,546	\$ 41,483
Home delivery and specialty revenues	11,638	45,836
Other revenues	1,292	4,900
Total pharmacy revenues	\$ 24,476	\$ 92,219
Pharmacy script volume		
Adjusted network scripts ⁽³⁾	254	941
Adjusted home delivery and specialty scripts ⁽³⁾	72	283
Total adjusted scripts ⁽³⁾	326	1,224
Generic fill rate		
Network	86.1%	87.1%
Home delivery	84.5%	84.3%
Overall generic fill rate	85.9%	86.8%

(1) Health Services segment metrics on this page are presented excluding contributions from transitioning clients.

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

(3) Non-specialty network scripts filled through 90-day programs, and home delivery scripts are multiplied by three. All other network and specialty scripts are counted as one script.

**Cigna Corporation
Integrated Medical
Segment Results (unaudited)**

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Revenues						
Premiums	\$ 7,566	\$ 6,794	11 %	\$ 30,089	\$ 26,848	12 %
Fees and other revenues	1,522	1,392	9	5,952	5,484	9
Net investment income	120	111	8	478	459	4
Total revenues ⁽¹⁾	9,208	8,297	11	36,519	32,791	11
Benefits and expenses						
Medical costs	6,224	5,495	13	24,319	21,191	15
Selling, general and administrative expenses	2,266	2,159	5	8,369	8,098	3
Special items	-	(20)	100	(30)	25	(220)
Amortization of acquired intangible assets	18	17	6	69	99	(30)
Total benefits and expenses	8,508	7,651	11	32,727	29,413	11
Income from operations	700	646	8	3,792	3,378	12
Net realized investment gains (losses)	47	(24)	N/M	112	(36)	N/M
Income before income taxes	747	622	20	3,904	3,342	17
Pre-tax adjustments required to reconcile to adjusted income from operations						
Net realized investment (gains) losses	(47)	24		(112)	36	
Amortization of acquired intangible assets	18	17		69	99	
Special items	-	(20)		(30)	25	
Pre-tax adjusted income from operations	\$ 718	\$ 643	12 %	\$ 3,831	\$ 3,502	9 %
Pre-tax adjusted margin	7.8 %	7.7 %	10 bps	10.5 %	10.7 %	(20) bps

(1) Total revenues were equal to adjusted revenues in the Integrated Medical segment for the periods presented.

Cigna Corporation
Integrated Medical
Revenue and Medical Care Ratio (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Premiums:						
Commercial Premiums						
Risk	\$ 3,245	\$ 2,759	18 %	\$ 12,523	\$ 10,710	17 %
Stop loss	1,107	1,025	8	4,328	4,008	8
Other	261	261	-	1,040	1,038	-
Total Commercial premiums	4,613	4,045	14	17,891	15,756	14
Government Premiums						
Medicare Advantage	1,535	1,418	8	6,314	5,832	8
Medicare Part D	370	190	95	1,699	764	122
Other	1,048	1,141	(8)	4,185	4,496	(7)
Total Government premiums	2,953	2,749	7	12,198	11,092	10
Total premiums	7,566	6,794	11	30,089	26,848	12
Fees and other revenues	1,522	1,392	9	5,952	5,484	9
Net investment income	120	111	8	478	459	4
Total revenues	\$ 9,208	\$ 8,297	11 %	\$ 36,519	\$ 32,791	11 %
Medical Care Ratio	82.3 %	80.9 %	(140) bps	80.8 %	78.9 %	(190) bps

Cigna Corporation
Total Medical Customers (unaudited)

COVERED LIVES BY FUNDING TYPE:	As of December 31,			COVERED LIVES BY MARKET SEGMENT: ⁽³⁾	As of December 31,		
	2019	2018	% Change		2019	2018 ⁽⁴⁾	% Change
<i>(Lives in thousands)</i>				<i>(Lives in thousands)</i>			
Medical customers: ⁽¹⁾				Medical customers: ⁽¹⁾			
Commercial risk	2,114	1,911	11 %	National Accounts	3,581	3,761	(5) %
Government risk				Middle Market	8,212	8,091	2
Medicare Advantage	444	436	2	Select	2,393	2,129	12
Other ⁽²⁾	917	971	(6)	Small	1	1	-
Total government risk	1,361	1,407	(3)	Total Commercial	14,187	13,982	1
Services only customers - Integrated Medical	12,073	12,071	-	Total Government	1,361	1,407	(3)
Total Integrated Medical	15,548	15,389	1	Total Integrated Medical	15,548	15,389	1
International Markets	1,597	1,572	2	International Markets	1,597	1,572	2
Total medical customers	17,145	16,961	1 %	Total medical customers	17,145	16,961	1 %

(1) Includes individuals in our Integrated Medical and International Markets segments 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 Medicaid, Medicare Supplement and Individual customers. As of December 31, 2019, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (226,000 customers), off-exchange ACA business (8,000 customers) and off-exchange non ACA business (31,000 customers).

(3) 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 500 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 500 eligible employees*
- ~ the Small market segment includes employers with 2-50 employees*
- ~ 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, Medicare Supplement and Medicaid products as managed care alternatives to publicly funded healthcare programs. The segment also offers individual health insurance coverage both on and off the public exchanges.*
- ~ the International Markets segment is focused on health care and supplemental products and services to meet the needs of local and multinational individuals and organizations and their local and globally mobile employees and dependents.*

(4) Prior year lives have been reclassified to reflect current market segment presentation at the employer level, according to the definitions discussed in note 3. Additionally, prior year lives for Middle Market and Select market segments have been updated to reflect those definitions.

Cigna Corporation
International Markets
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Revenues						
Premiums	\$ 1,352	\$ 1,276	6 %	\$ 5,266	\$ 5,043	4 %
Fees and other revenues	53	23	130	234	131	79
Net investment income	42	36	17	159	149	7
Total revenues	1,447	1,335	8	5,659	5,323	6
Benefits and expenses						
Medical costs and other benefit expenses	793	760	4	3,017	2,896	4
Selling, general and administrative expenses ⁽¹⁾	477	464	3	1,817	1,714	6
Amortization of acquired intangible assets	8	5	60	36	18	100
Total benefits and expenses	1,278	1,229	4	4,870	4,628	5
Income from operations						
Interest expense and other	(1)	(7)	86	(3)	(7)	57
Net realized investment gains (losses)	16	(9)	278	(1)	(18)	94
Income before income taxes						
	184	90	104	785	670	17
Pre-tax adjustments required to reconcile adjusted income from operations						
Pre-tax (income) attributable to noncontrolling interests	(4)	(4)		(16)	(14)	
Net realized investment (gains) losses	(33)	29		(43)	61	
Amortization of acquired intangible assets	8	5		36	18	
Pre-tax adjusted income from operations						
	\$ 155	\$ 120	29 %	\$ 762	\$ 735	4 %
Pre-tax adjusted margin						
	10.8 %	8.9 %	190 bps	13.6 %	13.7 %	(10) bps
Reconciliation of total revenues to adjusted revenues						
Total revenues	\$ 1,447	\$ 1,335	8 %	\$ 5,659	\$ 5,323	6 %
Net realized investment results from certain equity method investments	(17)	20	(185)	(44)	43	(202)
Adjusted revenues ⁽²⁾	\$ 1,430	\$ 1,355	6 %	\$ 5,615	\$ 5,366	5 %

(1) Selling, general and administrative expenses include policy acquisition expenses of \$180 million for the three months ended and \$723 for the year ended December 31, 2019 and \$188 million for the three months ended and \$702 for the year ended December 31, 2018.

(2) Adjusted revenues is defined as total revenues excluding the following adjustments: revenue contributions from transitioning clients, special items and Cigna's share of certain realized investment results of its joint ventures reported using the equity method. These items are excluded because they are not indicative of past or future underlying performance of our businesses.

Cigna Corporation
Group Disability and Other
Segment Results (unaudited)

(Dollars in millions)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Revenues						
Premiums	\$ 1,090	\$ 1,041	5 %	\$ 4,372	\$ 4,235	3 %
Fees and other revenues	29	31	(6)	115	114	1
Net investment income	174	174	-	695	712	(2)
Total revenues ⁽¹⁾	1,293	1,246	4	5,182	5,061	2
Benefits and expenses						
Benefit expenses	899	863	4	3,612	3,461	4
Selling, general and administrative expenses	269	273	(1)	1,068	1,070	-
Special items	-	-	N/M	-	2	(100)
Amortization of acquired intangible assets	-	1	(100)	5	5	-
Total benefits and expenses	1,168	1,137	3	4,685	4,538	3
Income from operations						
	125	109	15	497	523	(5)
Interest expense and other	-	(1)	100	(1)	(1)	-
Net realized investment gains (losses)	30	(11)	N/M	66	(25)	N/M
Income before income taxes						
	155	97	60	562	497	13
Pre-tax adjustments required to reconcile adjusted income from operations						
Net realized investment (gains) losses	(30)	11		(66)	25	
Amortization of acquired intangible assets	-	1		5	5	
Special items	-	-		-	2	
Pre-tax adjusted income from operations						
	\$ 125	\$ 109	15 %	\$ 501	\$ 529	(5) %
Pre-tax adjusted margin						
	9.7 %	8.7 %	100 bps	9.7 %	10.5 %	(80) bps

(1) Total revenues were equal to adjusted revenues in Group Disability and Other for the periods presented.

Cigna Corporation
Corporate
Earnings (unaudited)

	Three Months Ended December 31,			Year Ended December 31,		
	2019	2018	% Change	2019	2018	% Change
Total revenues and eliminations ⁽¹⁾	\$ (963)	\$ (350)	(175) %	\$ (3,588)	\$ (1,590)	(126) %
Total expenses and eliminations excluding special items ⁽¹⁾	(916)	(406)	(126)	(3,442)	(1,573)	(119)
Special items	354	460	(23)	840	748	12
Total expenses and eliminations	(562)	54	N/M	(2,602)	(825)	(215)
(Loss) from operations	(401)	(404)	1	(986)	(765)	(29)
Interest expense and other	(390)	(94)	N/M	(1,676)	(263)	N/M
Interest special item	-	(184)	100	-	(227)	100
Debt extinguishment costs	(2)	-	N/M	(2)	-	N/M
Net realized investment (losses)	-	(1)	100	-	(2)	100
(Loss) before income taxes	(793)	(683)	(16)	(2,664)	(1,257)	(112)
Pre-tax adjustments required to reconcile adjusted income from operations						
Net realized investment losses	-	1		-	2	
Special items	354	534		840	852	
Pre-tax adjusted (loss) from operations	\$ (439)	\$ (148)	(197) %	\$ (1,824)	\$ (403)	N/M
Reconciliation of total revenues to adjusted revenues						
Total revenues and eliminations ⁽¹⁾	\$ (963)	\$ (350)	(175) %	\$ (3,588)	\$ (1,590)	(126) %
Special item reported in transaction-related costs	-	(110)	100	-	(123)	100
Adjusted revenues	\$ (963)	\$ (460)	(109) %	\$ (3,588)	\$ (1,713)	(109) %

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

Cigna Corporation
Consolidated Balance Sheets

(Dollars in millions)

	As of December 31, 2019	As of December 31, 2018		As of December 31, 2019	As of December 31, 2018
	(Unaudited)			(Unaudited)	
Assets			Liabilities		
Current Assets			Current Liabilities		
Cash and cash equivalents	\$ 4,619	\$ 3,855	Insurance and contractholder liabilities ⁽³⁾	\$ 4,921	\$ 6,801
Investments	937	2,045	Pharmacy and service costs payable	10,454	10,702
Accounts receivable, net	10,716	10,473	Accounts payable	5,090	4,366
Inventories	2,661	2,821	Accrued expenses	7,347	7,071
Other current assets	1,400	1,236	Short-term debt and current maturities of long-term debt	5,514	2,955
Assets held for sale ⁽¹⁾	9,512	-	Liabilities held for sale ⁽¹⁾	6,812	-
Total current assets	29,845	20,430	Total current liabilities	40,138	31,895
Long-term investments	21,542	26,929	Insurance and contractholder liabilities	16,052	19,974
Reinsurance recoverables ⁽²⁾	5,100	5,507	Deferred tax liabilities, net	9,387	9,453
Deferred policy acquisition costs	2,958	2,821	Other non-current liabilities	4,460	3,470
Property and equipment	4,417	4,562	Long-term debt	31,893	39,523
Goodwill	44,602	44,505	Separate account liabilities	8,465	7,839
Other intangibles	36,562	39,003	Total liabilities	110,395	112,154
Other assets	2,283	1,630			
Separate account assets	8,465	7,839	Redeemable noncontrolling interests	35	37
			Shareholders' Equity		
			Common stock	4	4
			Additional paid-in capital	28,306	27,751
			Accumulated other comprehensive (loss)	(941)	(1,711)
			Retained earnings	20,162	15,088
			Less treasury stock, at cost	(2,193)	(104)
			Total shareholders' equity	45,338	41,028
			Noncontrolling interests	6	7
			Total equity	45,344	41,035
Total assets	\$ 155,774	\$ 153,226	Total liabilities and equity	\$ 155,774	\$ 153,226

(1) As of December 31, 2019, the assets and liabilities of the Group Disability and Life business have been classified as held for sale. For additional information regarding the sale of the Group Disability and Life Insurance business to New York Life, please refer to Note 5 to the Consolidated Financial Statements in Cigna's Form 10-K for the year ended December 31, 2019, expected to be filed on February 27, 2020.

(2) Includes \$4.67 billion as of December 31, 2019 and \$4.99 billion as of December 31, 2018 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 Insurance and contractholder liabilities.

(3) Insurance and contractholder liabilities includes \$2.89 billion as of December 31, 2019 and \$2.70 billion as of December 31, 2018 for medical costs payable in the Integrated Medical Segment. For additional details about this balance, please refer to the Unpaid Claims and Claim Expenses rollforward in the Insurance and Contractholder Liabilities footnote in Cigna's Form 10-K for the year ended December 31, 2019, expected to be filed on February 27, 2020.

Cigna Corporation
Condensed Consolidated Statements of Cash Flows (unaudited)

(Dollars in millions)

	Year Ended December 31,	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 5,120	\$ 2,646
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	3,651	695
Realized investment (gains) losses	(177)	81
Deferred income taxes (benefits)	(313)	(101)
Debt extinguishment costs	2	-
Net changes in assets and liabilities, net of non-operating effects:		
Accounts receivable	(713)	705
Inventories	149	(107)
Deferred policy acquisition costs	(242)	(237)
Reinsurance recoverable and other assets	(277)	(234)
Insurance liabilities	575	560
Pharmacy costs and service costs payable	(192)	(842)
Accounts payable and accrued expenses and other liabilities	1,343	332
Other, net	559	272
Net cash provided by operating activities	9,485	3,770
Net cash (used in) investing activities	(734)	(26,378)
Net cash (used in) provided by financing activities ⁽¹⁾	(7,187)	23,515
Effect of foreign currency rate changes on cash and cash equivalents	(8)	(24)
Net (decrease) in cash classified within assets held-for-sale	(743)	-
Net increase in cash and cash equivalents, and restricted cash	813	883
Cash and cash equivalents, and restricted cash, January 1	3,855	2,972
Cash and cash equivalents, and restricted cash, December 31 ⁽²⁾	\$ 4,668	\$ 3,855

(1) Includes \$5.2 billion for the repayment of long term and short term debt for the twelve months ended December 31, 2019.

(2) Includes \$26 million and \$23 million of restricted cash reported in Other noncurrent assets and Long-term investments, respectively, as of December 31, 2019.

Cigna Corporation
Summary of Debt Securities by Sector (unaudited)
Fair Value

(Dollars in millions)

Sector	As of December 31, 2019				As of December 31, 2018			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States government	\$ 498	\$ 235	\$ -	\$ 733	\$ 507	\$ 204	\$ 1	\$ 710
State and local government	729	81	-	810	920	66	1	985
Foreign government	2,027	230	1	2,256	2,214	155	7	2,362
Government	3,254	546	1	3,799	3,641	425	9	4,057
Basic industry	3,310	258	4	3,564	3,309	82	80	3,311
Capital goods	2,298	157	3	2,452	2,295	56	64	2,287
Communications	823	54	1	876	964	23	20	967
Consumer	3,845	254	4	4,095	3,948	73	122	3,899
Electric and utility	2,255	220	1	2,474	2,264	91	50	2,305
Energy and natural gas	1,761	114	8	1,867	1,651	37	42	1,646
Financial	3,638	233	6	3,865	3,794	48	68	3,774
Other	219	9	1	227	178	1	7	172
Corporate	18,149	1,299	28	19,420	18,403	411	453	18,361
Mortgage and other asset-backed	506	31	1	536	506	16	12	510
Total debt securities	\$ 21,909	\$ 1,876	\$ 30	\$ 23,755	\$ 22,550	\$ 852	\$ 474	\$ 22,928

The table above includes debt securities that are associated with the Group Disability and Life business that is classified as held for sale. For additional information regarding the sale of the Group Life and Disability insurance business to New York Life, please refer to Note 5 to the Consolidated Financial Statements in Cigna's Form 10-K for the year ended December 31, 2019, expected to be filed on February 27, 2020.