

# **Cigna Corporation**

## **Quarterly Financial Supplement September 30, 2017**

*This document is dated November 2, 2017. The data contained in this document may not be accurate after such date and Cigna does not undertake to update or keep it accurate after such date.*



**Cigna Corporation**  
**September 30, 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 third quarter of 2017, we recorded debt extinguishment costs of \$321 million (\$209 million after-tax). These costs are reported as a special item in this document and in Cigna's Form 10-Q for the nine months ended September 30, 2017, expected to be filed on November 2, 2017.*

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

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

(Dollars in millions, except per share amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>REVENUES</b>						
<b>Total revenues</b>	\$ 10,382	\$ 9,880	5 %	\$ 31,085	\$ 29,724	5 %
Net realized investment (gains)	(117)	(75)	(56)	(214)	(110)	(95)
Operating revenues	\$ 10,265	\$ 9,805	5 %	\$ 30,871	\$ 29,614	4 %
<b>Operating Revenues by Segment</b>						
Global Health Care	\$ 8,069	\$ 7,713	5 %	\$ 24,352	\$ 23,437	4 %
Global Supplemental Benefits	985	866	14	2,849	2,507	14
Group Disability and Life	1,099	1,111	(1)	3,332	3,318	-
Corporate and Other	112	115	(3)	338	352	(4)
Consolidated operating revenues	\$ 10,265	\$ 9,805	5 %	\$ 30,871	\$ 29,614	4 %
<b>SHAREHOLDERS' NET INCOME</b>						
<b>Shareholders' net income</b>	\$ 560	\$ 456	23 %	\$ 1,971	\$ 1,485	33 %
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(75)	(48)		(140)	(71)	
Amortization of other acquired intangibles assets, net	16	24		54	72	
Special items (see details on page 2)	215	71		300	133	
Adjusted income from operations	\$ 716	\$ 503	42 %	\$ 2,185	\$ 1,619	35 %
<b>Adjusted Income (Loss) From Operations by Segment</b>						
Global Health Care	\$ 575	\$ 416	38 %	\$ 1,776	\$ 1,446	23 %
Global Supplemental Benefits	109	81	35	288	231	25
Group Disability and Life	73	53	38	224	56	300
Ongoing operations	757	550	38	2,288	1,733	32
Corporate and Other	(41)	(47)	13	(103)	(114)	10
Total adjusted income from operations	\$ 716	\$ 503	42 %	\$ 2,185	\$ 1,619	35 %
Diluted earnings per share:						
Shareholders' net income	\$ 2.21	\$ 1.76	26 %	\$ 7.67	\$ 5.72	34 %
Adjusted income from operations	\$ 2.83	\$ 1.94	46 %	\$ 8.50	\$ 6.24	36 %
Adjusted income from operations, excluding interest, taxes, depreciation and amortization <sup>(1)</sup>	\$ 1,235	\$ 973	27 %	\$ 3,786	\$ 3,091	22 %
<b>CUSTOMER RELATIONSHIPS</b>						
	As of September 30,			As of December 31,		
	2017	2016	% Change	2016		% Change
<i>(Relationships, lives and policies in thousands)</i>						
<b>Global Health Care Medical Customers</b> (see page 7)	15,816	15,177	4 %	15,197		4 %
<b>Other Customer Relationships:</b> (see page 7)						
Behavioral care	26,636	25,643	4	25,790		3
Dental	15,776	14,960	5	14,981		5
Pharmacy	8,959	8,370	7	8,461		6
Medicare Part D	812	999	(19)	972		(16)
Global Supplemental Benefit Policies (see page 9)	13,087	12,069	8	12,151		8
Group Disability and Life covered lives (estimated) <sup>(2)</sup>	15,600	15,600	-	15,600		-
Total customer relationships	96,686	92,818	4 %	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 September 30,</b>												
Shareholders' net income (loss)	\$2.21	\$1.76	\$560	\$456	\$610	\$413	\$105	\$77	\$97	\$65	\$(252)	\$(99)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.29)	(0.19)	(75)	(48)	(47)	(42)	-	-	(24)	(12)	(4)	6
Amortization of other acquired intangible assets, net	0.06	0.09	16	24	12	20	4	4	-	-	-	-
Special items:												
Debt extinguishment costs	0.82	-	209	-	-	-	-	-	-	-	209	-
Merger-related transaction costs	0.03	0.18	6	46	-	-	-	-	-	-	6	46
Charges associated with litigation matters	-	0.10	-	25	-	25	-	-	-	-	-	-
Adjusted income (loss) from operations	\$2.83	\$1.94	\$716	\$503	\$575	\$416	\$109	\$81	\$73	\$53	\$(41)	\$(47)
Weighted average shares (in thousands)	253,410	259,754										
Special Items, pre-tax:												
Debt extinguishment costs			\$321	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$321	\$-
Merger-related transaction costs			9	49	-	-	-	-	-	-	9	49
Charges associated with litigation matters			-	40	-	40	-	-	-	-	-	-
Total			\$330	\$89	\$-	\$40	\$-	\$-	\$-	\$-	\$330	\$49

(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>Nine Months Ended September 30,</b>												
Shareholders' net income (loss)	\$7.67	\$5.72	\$1,971	\$1,485	\$1,753	\$1,414	\$283	\$214	\$253	\$81	\$(318)	\$(224)
After-tax adjustments to reconcile to adjusted income (loss) from operations:												
Realized investment (gains) losses	(0.54)	(0.27)	(140)	(71)	(85)	(49)	(9)	1	(44)	(25)	(2)	2
Amortization of other acquired intangible assets, net	0.21	0.28	54	72	40	56	14	16	-	-	-	-
Special items:												
Debt extinguishment costs	0.81	-	209	-	-	-	-	-	-	-	209	-
Merger-related transaction costs <sup>(1)</sup>	0.03	0.41	8	108	-	-	-	-	-	-	8	108
Long-term care guaranty fund assessment	0.32	-	83	-	68	-	-	-	15	-	-	-
Charges associated with litigation matters	-	0.10	-	25	-	25	-	-	-	-	-	-
Adjusted income (loss) from operations	\$8.50	\$6.24	\$2,185	\$1,619	\$1,776	\$1,446	\$288	\$231	\$224	\$56	\$(103)	\$(114)
Weighted average shares (in thousands)	257,058	259,568										
Common shares outstanding as of September 30, (in thousands)	247,573	256,720										
Special items, pre-tax:												
Debt extinguishment costs			\$321	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$321	\$-
Merger-related transaction costs <sup>(1)</sup>			88	123	-	-	-	-	-	-	88	123
Long-term care guaranty fund assessment			129	-	106	-	-	-	23	-	-	-
Charges associated with litigation matters			-	40	-	40	-	-	-	-	-	-
Total			\$538	\$163	\$106	\$40	\$-	\$-	\$23	\$-	\$409	\$123

(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-Q for the period ended September 30, 2017 expected to be filed on November 2, 2017.

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 8,030	\$ 7,605	6 %	\$ 24,143	\$ 23,005	5 %
Fees	1,137	1,086	5	3,417	3,346	2
Net investment income	298	282	6	909	848	7
Mail order pharmacy revenues	733	762	(4)	2,200	2,207	-
Other revenues	67	70	(4)	202	208	(3)
Consolidated operating revenues	10,265	9,805	5	30,871	29,614	4
Net realized investment gains	117	75	56	214	110	95
Total revenues	10,382	9,880	5	31,085	29,724	5
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,880	4,692	4	14,789	14,230	4
Other benefit expenses	1,342	1,343	-	4,044	4,125	(2)
Mail order pharmacy costs	612	638	(4)	1,819	1,842	(1)
Operating expenses excluding special items	2,194	2,163	1	6,439	6,342	2
Depreciation and amortization:						
Amortization of other acquired intangible assets, net	28	37	(24)	88	115	(23)
Depreciation and other amortization	111	113	(2)	337	345	(2)
Total depreciation and amortization	139	150	(7)	425	460	(8)
Interest expense	61	63	(3)	183	188	(3)
Special items (see details on page 2)	330	89	271	538	163	230
Total benefits and expenses	9,558	9,138	5	28,237	27,350	3
Income before income taxes	824	742	11	2,848	2,374	20
Income taxes (see details on page 2):						
Current	231	210	10	821	842	(2)
Deferred	31	80	(61)	62	63	(2)
Total taxes	262	290	(10)	883	905	(2)
<b>Net income</b>	562	452	24	1,965	1,469	34
<b>Less: net income (loss) attributable to noncontrolling interests</b>	2	(4)	150	(6)	(16)	63
<b>Shareholders' net income</b>	\$ 560	\$ 456	23 %	\$ 1,971	\$ 1,485	33 %

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 6,086	\$ 5,751	6 %	\$ 18,378	\$ 17,547	5 %
Fees	1,111	1,056	5	3,337	3,259	2
Net investment income	89	77	16	273	230	19
Mail order pharmacy revenues	733	762	(4)	2,200	2,207	-
Other revenues	<u>50</u>	<u>67</u>	(25)	<u>164</u>	<u>194</u>	(15)
Operating revenues	8,069	7,713	5	24,352	23,437	4
Net realized investment gains	<u>75</u>	<u>62</u>	21	<u>133</u>	<u>73</u>	82
Total revenues	<u>8,144</u>	<u>7,775</u>	5	<u>24,485</u>	<u>23,510</u>	4
<b>Benefits and Expenses:</b>						
Global Health Care medical costs	4,880	4,692	4	14,789	14,230	4
Mail order pharmacy costs	612	638	(4)	1,819	1,842	(1)
Operating expenses	1,700	1,701	-	4,994	4,998	-
Amortization of other acquired intangible assets, net	21	30	(30)	65	89	(27)
Special items (see details on page 2)	<u>-</u>	<u>40</u>	(100)	<u>106</u>	<u>40</u>	165
Benefits and expenses	<u>7,213</u>	<u>7,101</u>	2	<u>21,773</u>	<u>21,199</u>	3
Income before income taxes	931	674	38	2,712	2,311	17
Income taxes	321	261	23	961	899	7
(Loss) attributable to noncontrolling interests	-	-	N/M	(2)	(2)	-
Shareholders' net income from Global Health Care	610	413	48	1,753	1,414	24
After-tax adjustments required to reconcile to adjusted income from operations:						
Net realized investment (gains)	(47)	(42)		(85)	(49)	
Amortization of other acquired intangible assets, net	12	20		40	56	
Special items (see details on page 2)	<u>-</u>	<u>25</u>		<u>68</u>	<u>25</u>	
<b>Adjusted income from operations</b>	<b>\$ 575</b>	<b>\$ 416</b>	<b>38 %</b>	<b>\$ 1,776</b>	<b>\$ 1,446</b>	<b>23 %</b>

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Premiums:						
Guaranteed cost	\$ 1,591	\$ 1,155	38 %	\$ 4,656	\$ 3,450	35 %
Experience-rated <sup>(1)</sup>	692	593	17	2,051	1,762	16
Stop loss	874	774	13	2,582	2,286	13
International health care	484	466	4	1,438	1,397	3
Dental	452	400	13	1,334	1,179	13
Medicare	1,324	1,608	(18)	4,174	5,075	(18)
Medicaid	253	283	(11)	806	860	(6)
Medicare Part D	169	252	(33)	601	878	(32)
Other	247	220	12	736	660	12
Total Premiums	6,086	5,751	6	18,378	17,547	5
Fees, including international health care	1,111	1,056	5	3,337	3,259	2
Premiums and fees	7,197	6,807	6	21,715	20,806	4
Net investment income	89	77	16	273	230	19
Mail order pharmacy revenues <sup>(2)</sup>	733	762	(4)	2,200	2,207	-
Other revenues <sup>(3)</sup>	50	67	(25)	164	194	(15)
<b>Operating revenues</b>	<b>\$ 8,069</b>	<b>\$ 7,713</b>	<b>5 %</b>	<b>\$ 24,352</b>	<b>\$ 23,437</b>	<b>4 %</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 September 30,		Change Favorable (Unfavorable)	Nine Months Ended September 30,		Change Favorable (Unfavorable)
	2017	2016		2017	2016	
<u>Medical Care Ratios:</u>						
Commercial	78.6 %	79.4 %	0.8	78.3 %	78.0 %	(0.3)
Government	84.0 %	85.3 %	1.3	85.4 %	85.9 %	0.5
Consolidated Global Health Care	80.2 %	81.6 %	1.4	80.5 %	81.1 %	0.6
Operating expense ratio <sup>(1)</sup> <sup>(2)</sup>	21.1 %	22.1 %	1.0	20.5 %	21.3 %	0.8

(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 September 30, 2016 and approximately \$230 million for the nine months ended September 30, 2016. There is 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-Q for the period ended September 30, 2017, expected to be filed on November 2, 2017.



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

COVERED LIVES BY FUNDING TYPE:	As of September 30,			As of December 31,			COVERED LIVES BY MARKET SEGMENT: <sup>(5)</sup>	As of September 30,			As of December 31,		
	(Lives in thousands)	2017	2016	% Change	2016	% Change		(Lives in thousands)	2017	2016 <sup>(6)</sup>	% Change	2016 <sup>(6)</sup>	% Change
<b>Medical customers: <sup>(1)</sup></b>							<b>Medical customers: <sup>(1)</sup></b>						
Commercial risk:							U.S. Commercial:						
U.S. Guaranteed cost	1,184	850	39 %	871	36 %	National Accounts	3,696	3,587	3 %	3,577	3 %		
U.S. Experience-rated <sup>(2)</sup>	898	848	6	858	5	Middle Market	8,335	8,039	4	8,033	4		
International health care - risk	858	843	2	847	1	Select	1,452	1,299	12	1,344	8		
Total commercial risk <sup>(2)</sup>	2,940	2,541	16	2,576	14	Individual <sup>(7)</sup>	317	176	80	168	89		
						Small	1	2	(50)	1	-		
Medicare	428	519	(18)	504	(15)	Total U.S. Commercial	13,801	13,103	5	13,123	5		
Medicaid	56	64	(13)	62	(10)	International	1,531	1,491	3	1,508	2		
Total risk	3,424	3,124	10	3,142	9	Total Commercial	15,332	14,594	5	14,631	5		
						Medicare	428	519	(18)	504	(15)		
						Medicaid	56	64	(13)	62	(10)		
Total service, including international health care	12,392	12,053	3	12,055	3	Total Government	484	583	(17)	566	(14)		
<b>Total medical customers</b>	<b>15,816</b>	<b>15,177</b>	<b>4 %</b>	<b>15,197</b>	<b>4 %</b>	<b>Total medical customers</b>	<b>15,816</b>	<b>15,177</b>	<b>4 %</b>	<b>15,197</b>	<b>4 %</b>		
<b>Other Customer Relationships:</b>													
Behavioral care <sup>(3)</sup>	26,636	25,643	4 %	25,790	3 %								
Dental <sup>(3)</sup>	15,776	14,960	5 %	14,981	5 %								
Pharmacy <sup>(3)</sup>	8,959	8,370	7 %	8,461	6 %								
Medicare Part D <sup>(4)</sup>	812	999	(19) %	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 September 30, 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 September 30, 2017, individual business includes on-exchange Patient Protection and Affordable Care and Education Reconciliation Act ("ACA") business (228 thousand customers), off-exchange ACA business (45 thousand customers) and off-exchange non ACA business (44 thousand customers).

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums	\$ 931	\$ 827	13 %	\$ 2,702	\$ 2,389	13 %
Fees	6	6	-	18	16	13
Net investment income	31	29	7	90	82	10
Other revenues	17	4	N/M	39	20	95
Operating revenues	985	866	14	2,849	2,507	14
Net realized investment gains	-	2	(100)	12	-	N/M
Total revenues	985	868	13	2,861	2,507	14
<b>Benefits and Expenses:</b>						
Benefit expenses	506	452	12	1,503	1,323	14
Operating expenses <sup>(1)</sup>	331	308	7	969	899	8
Amortization of other acquired intangible assets, net	7	7	-	23	26	(12)
Benefits and expenses	844	767	10	2,495	2,248	11
Income before income taxes	141	101	40	366	259	41
Income taxes	34	28	21	87	59	47
Income (loss) attributable to noncontrolling interests	2	(4)	150	(4)	(14)	71
Shareholders' net income from Global Supplemental Benefits	105	77	36	283	214	32
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains) losses	-	-		(9)	1	
Amortization of other acquired intangible assets, net	4	4		14	16	
<b>Adjusted income from operations</b>	<b>\$ 109</b>	<b>\$ 81</b>	<b>35 %</b>	<b>\$ 288</b>	<b>\$ 231</b>	<b>25 %</b>

(1) Operating expenses include policy acquisition expenses of \$166 million for the three months and \$484 million for the nine months ended September 30, 2017 and \$158 million for the three months and \$458 million for the nine months ended September 30, 2016.

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

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Excluding the Effect of Foreign Currency Movements:</b>						
(Dollars in millions)						
Premiums and fees	\$ 937	\$ 828	13 %	\$ 2,720	\$ 2,420	12 %
Adjusted income from operations	\$ 109	\$ 81	35 %	\$ 288	\$ 234	23 %

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

(Dollars in millions)

PREMIUM AND FEES BY GEOGRAPHY	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
Korea	\$ 476	\$ 436	9 %	\$ 1,390	\$ 1,228	13 %
U.S.	217	156	39	610	465	31
Taiwan	65	68	(4)	204	198	3
U.K.	35	40	(13)	100	125	(20)
Turkey	26	22	18	71	67	6
Other	118	111	6	345	322	7
<b>Total <sup>(1)</sup></b>	<b>\$ 937</b>	<b>\$ 833</b>	<b>12 %</b>	<b>\$ 2,720</b>	<b>\$ 2,405</b>	<b>13 %</b>
China Joint Venture <sup>(1)</sup>	\$ 291	\$ 213	37 %	\$ 826	\$ 594	39 %

  

NUMBER OF POLICIES:	As of September 30,			As of December 31,		
	2017	2016	% Change	2016	% Change	
(Policies in thousands)						
Global Supplemental Benefits Policies <sup>(2)</sup>	13,087	12,069	8 %	12,151	8 %	
China Joint Venture <sup>(1)</sup>	1,826	1,607	14 %	1,651	11 %	

(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 September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums:						
Life	\$ 432	\$ 446	(3) %	\$ 1,310	\$ 1,334	(2) %
Disability	493	485	2	1,485	1,454	2
Other	65	69	(6)	196	204	(4)
Total premiums	990	1,000	(1)	2,991	2,992	-
Fees	25	24	4	77	71	8
Net investment income	84	85	(1)	262	253	4
Other revenues	-	2	(100)	2	2	-
Operating revenues	1,099	1,111	(1)	3,332	3,318	-
Net realized investment gains	37	17	118	67	38	76
Total revenues	1,136	1,128	1	3,399	3,356	1
<b>Benefits and Expenses:</b>						
Benefit expenses	755	804	(6)	2,301	2,550	(10)
Operating expenses	236	235	-	700	692	1
Special items (see details on page 2)	-	-	N/M	23	-	N/M
Benefits and expenses	991	1,039	(5)	3,024	3,242	(7)
Income before income taxes	145	89	63	375	114	229
Income taxes	48	24	100	122	33	270
Shareholders' net income from Group Disability and Life	97	65	49	253	81	212
After-tax adjustments to reconcile to adjusted income from operations:						
Net realized investment (gains)	(24)	(12)		(44)	(25)	
Special items (see details on page 2)	-	-		15	-	
<b>Adjusted income from operations</b>	<b>\$ 73</b>	<b>\$ 53</b>	<b>38 %</b>	<b>\$ 224</b>	<b>\$ 56</b>	<b>300 %</b>

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

(Dollars in millions)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2017	2016	% Change	2017	2016	% Change
<b>Revenues:</b>						
Premiums <sup>(2)</sup>	\$ 23	\$ 27	(15) %	\$ 72	\$ 77	(6) %
Fees <sup>(2)</sup>	(5)	-	N/M	(15)	-	N/M
Net investment income	94	91	3	284	283	-
Other revenues <sup>(2)</sup>	-	(3)	100	(3)	(8)	63
Operating revenues	112	115	(3)	338	352	(4)
Net realized investment gains (losses)	5	(6)	183	2	(1)	300
Total revenues	117	109	7	340	351	(3)
<b>Benefits and Expenses:</b>						
Benefit expenses	81	87	(7)	240	252	(5)
Operating expenses excluding special items <sup>(2)</sup>	99	95	4	296	286	3
Special items (see details on page 2)	330	49	N/M	409	123	233
Benefits and expenses	510	231	121	945	661	43
(Loss) before income taxes	(393)	(122)	(222)	(605)	(310)	(95)
Income tax (benefits) <sup>(3)</sup>	(141)	(23)	N/M	(287)	(86)	(234)
Shareholders' net (loss) from Corporate and Other Operations	(252)	(99)	(155)	(318)	(224)	(42)
Adjustments to reconcile to adjusted (loss) from operations:						
Net realized investment (gains) losses	(4)	6		(2)	2	
Special items (see details on page 2) <sup>(3)</sup>	215	46		217	108	
<b>Adjusted (loss) from operations</b>	\$ (41)	\$ (47)	13 %	\$ (103)	\$ (114)	10 %

(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-Q for the period ended September 30, 2017 expected to be filed on November 2, 2017.

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

(Dollars in millions)

	As of September 30, 2017 (Unaudited)	As of December 31, 2016		As of September 30, 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, \$21,670 and \$19,942)	\$ 22,944	\$ 20,961	Contractholder deposit funds	\$ 8,246	\$ 8,458
Equity securities, at fair value (cost, \$643 and \$583)	641	583	Future policy benefits	9,857	9,648
Commercial mortgage loans (see page 15)	1,684	1,666	Unpaid claims and claim expenses	5,077	4,917
Policy loans	1,393	1,452	Global Health Care medical costs payable	2,783	2,532
Other long-term investments	1,408	1,462	Unearned premiums	1,194	634
Short-term investments	175	691	Total insurance and contractholder liabilities	27,157	26,189
Total investments	28,245	26,815	Accounts payable, accrued expenses and other liabilities	6,802	6,414
Cash and cash equivalents	3,656	3,185	Short-term debt	141	276
Premiums, accounts and notes receivable, net	3,308	3,077	Long-term debt	5,207	4,756
Reinsurance recoverables <sup>(1)</sup>	6,161	6,478	Separate account liabilities	8,432	7,940
Deferred policy acquisition costs	2,073	1,818	Total liabilities	47,739	45,575
Property and equipment	1,526	1,536	Redeemable noncontrolling interests	52	58
Deferred tax assets, net	172	304	<b>Shareholders' Equity</b>		
Goodwill	6,001	5,980	Common stock	74	74
Other assets, including other intangibles <sup>(2)</sup>	2,362	2,227	Additional paid-in capital	2,929	2,892
Separate account assets	8,432	7,940	Accumulated other comprehensive loss	(1,124)	(1,382)
			Retained earnings	15,590	13,855
			Less treasury stock, at cost	(3,324)	(1,716)
			Total shareholders' equity	14,145	13,723
			Noncontrolling interests	-	4
			Total equity	14,145	13,727
Total assets	\$ 61,936	\$ 59,360	Total liabilities and equity	\$ 61,936	\$ 59,360

(1) Includes \$5.3 billion as of September 30, 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 September 30, 2017 and December 31, 2016 related to the GMB liability.

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

(Dollars in millions)

Sector	As of September 30, 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	\$ 902	\$ -	\$ 902	4%	\$ 877	\$ -	\$ 877	4%
States and local government	1,323	-	1,323	6%	1,435	-	1,435	7%
Foreign government	2,229	78	2,307	10%	2,035	78	2,113	10%
<b>Government</b>	<b>4,454</b>	<b>78</b>	<b>4,532</b>	<b>20%</b>	<b>4,347</b>	<b>78</b>	<b>4,425</b>	<b>21%</b>
Basic industry	1,869	1,273	3,142	14%	1,757	995	2,752	13%
Capital goods	1,035	990	2,025	9%	894	999	1,893	9%
Communications	1,066	112	1,178	5%	985	58	1,043	5%
Consumer	2,973	997	3,970	17%	2,621	884	3,505	17%
Electric and utility	1,089	1,188	2,277	10%	950	1,082	2,032	10%
Energy and natural gas	1,211	631	1,842	8%	1,072	652	1,724	8%
Financial	2,735	601	3,336	14%	2,406	573	2,979	14%
Other	74	89	163	1%	51	71	122	1%
<b>Corporate</b>	<b>12,052</b>	<b>5,881</b>	<b>17,933</b>	<b>78%</b>	<b>10,736</b>	<b>5,314</b>	<b>16,050</b>	<b>77%</b>
Mortgage and other asset-backed	92	387	479	2%	91	395	486	2%
<b>Total fixed maturities <sup>(2)</sup></b>	<b>\$ 16,598</b>	<b>\$ 6,346</b>	<b>\$ 22,944</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 September 30, 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 \$49 million as of September 30, 2017 and \$66 million as of December 31, 2016. For more information, please refer to Cigna's Form 10-Q for the period ended September 30, 2017 expected to be filed on November 2, 2017.

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

(Dollars in millions)

Sector	As of September 30, 2017			
	Amortized Cost	Unrealized Appreciation	Unrealized Depreciation	Fair Value
United States government	\$ 666	\$ 238	\$ 2	\$ 902
State and local government	1,223	102	2	1,323
Foreign government	2,205	119	17	2,307
<b>Government</b>	<b>4,094</b>	<b>459</b>	<b>21</b>	<b>4,532</b>
Basic industry	2,988	166	12	3,142
Capital goods	1,921	112	8	2,025
Communications	1,130	53	5	1,178
Consumer	3,811	173	14	3,970
Electric and utility	2,129	158	10	2,277
Energy and natural gas	1,755	96	9	1,842
Financial	3,229	115	8	3,336
Other	167	3	7	163
<b>Corporate</b>	<b>17,130</b>	<b>876</b>	<b>73</b>	<b>17,933</b>
Mortgage and other asset-backed	446	34	1	479
<b>Total fixed maturities</b>	<b>\$ 21,670</b>	<b>\$ 1,369</b>	<b>\$ 95</b>	<b>\$ 22,944</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
<b>3,998</b>	<b>451</b>	<b>24</b>	<b>4,425</b>
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
<b>15,483</b>	<b>716</b>	<b>149</b>	<b>16,050</b>
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 September 30, 2017**

(Dollars in millions)

Geographic Region	Property Type							Total <sup>(1)</sup>	% of Mortgage Loans
	Office Buildings	Apartment Buildings	Industrial	Hotels	Retail	Other			
Massachusetts	\$ 60	\$ 55	\$ 1	\$ 89	\$ -	\$ -	\$ 205	12%	
Other <sup>(2)</sup>	-	-	-	-	14	-	14	1%	
<b>New England</b>	<b>60</b>	<b>55</b>	<b>1</b>	<b>89</b>	<b>14</b>	<b>-</b>	<b>219</b>	<b>13%</b>	
New York	16	55	-	-	-	-	71	4%	
New Jersey	-	43	56	-	-	-	99	6%	
<b>Middle Atlantic</b>	<b>16</b>	<b>98</b>	<b>56</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>10%</b>	
Virginia	113	-	-	-	-	-	113	7%	
North Carolina	-	45	-	-	-	-	45	3%	
Other <sup>(2)</sup>	-	20	-	20	13	-	53	3%	
<b>South Atlantic</b>	<b>113</b>	<b>65</b>	<b>-</b>	<b>20</b>	<b>13</b>	<b>-</b>	<b>211</b>	<b>13%</b>	
Illinois	66	59	-	-	-	-	125	7%	
Texas	47	65	-	-	-	-	112	7%	
<b>Central</b>	<b>113</b>	<b>124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237</b>	<b>14%</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	235	118	122	23	92	28	618	36%	
Washington	-	102	-	-	-	-	102	6%	
Oregon	33	27	18	-	17	-	95	6%	
<b>Pacific</b>	<b>268</b>	<b>247</b>	<b>140</b>	<b>23</b>	<b>109</b>	<b>28</b>	<b>815</b>	<b>48%</b>	
<b>Totals</b>	<b>\$ 570</b>	<b>\$ 589</b>	<b>\$ 197</b>	<b>\$ 164</b>	<b>\$ 136</b>	<b>\$ 28</b>	<b>\$ 1,684</b>	<b>100%</b>	
% of Mortgage Loans	<b>34%</b>	<b>35%</b>	<b>12%</b>	<b>10%</b>	<b>8%</b>	<b>1%</b>	<b>100%</b>		
Loan to Value Ratio <sup>(3)</sup>	<b>57%</b>	<b>58%</b>	<b>55%</b>	<b>57%</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 September 30, 2017. For more information, please refer to the Investment Assets section in Management's Discussion and Analysis within Cigna's Form 10-Q for the period ended September 30, 2017, expected to be filed on November 2, 2017.

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

(3) The Loan to Value Ratios on the commercial mortgage loans that Cigna holds in its portfolio leverage internal valuations, which are estimates based on the most recent full year financial statements and budgets/projections for the next year, considering occupancy, rental rates, operating costs, and other relevant information. The values are primarily determined as part of an annual review process, which was completed in the second quarter of 2017. For more information, please refer to Cigna's Form 10-Q for the period ended September 30, 2017, expected to be filed on November 2, 2017.

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

(Dollars in millions)

Nine Months Ended September 30,  
2017 2016

**CASH FLOWS FROM OPERATING ACTIVITIES**

Net income	\$	1,965	\$	1,469
Adjustments to reconcile net income to net cash provided by / (used in) operating activities:				
Depreciation and amortization		425		460
Realized investment (gains)		(214)		(110)
Deferred income taxes		62		63
Net changes in assets and liabilities, net of non-operating effects:				
Premiums, accounts and notes receivable		(190)		184
Reinsurance recoverables		144		132
Deferred policy acquisition costs		(209)		(167)
Other assets		(156)		(32)
Insurance liabilities		988		1,098
Accounts payable, accrued expenses and other liabilities <sup>(1)</sup>		221		9
Current income taxes		7		(57)
Debt extinguishment costs		321		-
Distributions from partnership investments <sup>(2)</sup>		114		105
Other, net		33		25
<b>Net cash provided by operating activities <sup>(2)</sup></b>		<b>3,511</b>		<b>3,179</b>
<b>Net cash used in investing activities <sup>(2)</sup></b>		<b>(1,100)</b>		<b>(1,694)</b>
<b>Net cash used in financing activities <sup>(3)</sup></b>		<b>(1,968)</b>		<b>(255)</b>
Effect of foreign currency rate changes on cash and cash equivalents		28		26
<b>Net increase in cash and cash equivalents</b>		<b>471</b>		<b>1,256</b>
Cash and cash equivalents, beginning of year		3,185		1,968
Cash and cash equivalents, end of period	\$	3,656	\$	3,224

(1) Includes pre-tax domestic qualified pension plan contributions of \$150 million for the nine months ended September 30, 2017. There were no contributions in 2016.

(2) As required in early adopting ASU 2016-15, the Company retrospectively reclassified \$105 million of cash distributions of earnings from partnership investments from investing to operating activities for the nine months ended September 30, 2016. The comparable amount reported in operating activities for the nine months ended September 30, 2017 was \$114 million.

(3) Includes \$1,563 million for the early extinguishment and repayment of long-term debt and \$1,584 million for the issuance of long-term debt for the nine months ended September 30, 2017. There were no long-term debt repayments or issuances in 2016.