Certain information in this presentation is forward-looking, including our projections, estimates, expectations and preliminary views as to our ability to grow; near-term outlook; total shareholder returns; operating earnings and operating earnings per share; adjusted operating earnings and adjusted operating earnings per share; weighted average diluted shares; revenues; operating revenue; EBITDA contribution; the impact of public and private health insurance exchanges on the health insurance marketplace and on our businesses, including our Individual business, and our ability to compete on those exchanges and the retail marketplace for health and related benefits; the impact of Health Care Reform on our businesses; the increase in value-based provider contracting, including accountable care organizations, and other changes to providers’ revenue models and their impact on our businesses; the impact of our health information technology initiatives on our business; the financial and operational impacts of the acquisition of Coventry Health Care, Inc. on our businesses and operating earnings per share; our ability to integrate Coventry and achieve our projected Coventry-related synergies; our ability to address 2014 Medicare Advantage rate pressures; and position our Medicare businesses to operate at parity with Medicare fee for service rates; Medical membership; premiums; Commercial medical cost trend and its components; the amount and recoverability of Health Care Reform fees and taxes and associated gross up; medical benefit ratios; operating expense ratio; underlying SG&A expense growth; pre-tax operating margin; capital generation and deployment; capital management metrics; 2014 challenges and opportunities; trend/yield spread dynamics; premium yield; operating expense ratio; pre-tax operating margin; operating cash flow; net dividends from subsidiaries; excess cash flow to the parent; debt-to-total capitalization ratio; our other financial and non-financial projections; and our estimates and views regarding our businesses and the environment in which we operate our businesses. Forward-looking information is based on management’s estimates, assumptions and projections and is subject to significant uncertainties and other factors, many of which are beyond our control. Important risk factors could cause actual future results and other future events to differ materially from those currently estimated by management, including, but not limited to: the implementation of health care reform legislation, including the implementation of health insurance exchanges; our ability to achieve the synergies and value creation contemplated by the Coventry acquisition; our ability to promptly and effectively integrate Coventry’s businesses; the diversion of management time on Coventry integration-related issues; the final allocation of the Coventry purchase price in our financial statements; and changes in our future cash requirements, capital requirements, results of operations, financial condition and/or cash flows. Health care reform will significantly impact our business operations and financial results, including our pricing and medical benefit ratios. Components of the legislation will be phased in over the next several years, and we will be required to dedicate material resources and incur material expenses during that time to implement health care reform. Many significant parts of the legislation, including Medicaid expansion, employer penalties and the implementation of Medicare minimum medical loss ratios, require further guidance and clarification at both the federal level and/or in the form of regulations and actions by state legislatures to implement the law. In addition, pending efforts in the U.S. Congress to amend or restrict funding for various aspects of health care reform, and litigation challenging aspects of the law continue to create additional uncertainty about the ultimate impact of health care reform. As a result, many of the impacts of health care reform will not be known for the next several years. Other important risk factors include: adverse changes in health care reform and/or other federal or state government policies or regulations as a result of health care reform or otherwise (including legislative, judicial or regulatory measures that would affect our business model, restrict funding for or amend various aspects of health care reform, limit our ability to price for the risk we assume and/or reflect reasonable costs or profits in our pricing, such as mandated minimum medical benefit ratios, eliminate or reduce ERISA pre-emption of state laws (increasing our potential litigation exposure) or mandate coverage of certain health benefits); adverse and least predictable economic conditions in the U.S. and abroad (including unanticipated levels of, or increases in the rate of, unemployment); our ability to diversify our sources of revenue and earnings (including by expanding our foreign operations), transform our business model and optimize our business platforms; the success of our HealthagenSM, Accountable Care Solutions and health information technology initiatives; adverse changes in size, product or geographic mix or medical cost experience of membership; managing executive succession and key talent retention, recruitment and development; failure to achieve and/or delays in achieving desired rate increases and/or profitable membership growth due to regulatory review or other regulatory restrictions, the difficult economy and/or significant competition, especially in key geographic areas where membership is concentrated, including successful protests of business awarded to us; failure to adequately implement Health Care Reform; reputational issues arising from our social media activities, data security breaches, other cybersecurity risks or other causes; the outcome of various litigation and regulatory matters, including audits, challenges to our minimum MLR rebate methodology and/or reports, guaranty fund assessments, intellectual property litigation and litigation concerning, and ongoing reviews by various regulatory authorities of, certain of our payment practices with respect to out-of-network providers and/or life Insurance policies; our ability to integrate, simplify, and enhance our existing information technology systems and platforms to keep pace with changing customer and regulatory needs; our ability to successfully integrate our businesses (including Coventry and other businesses we may acquire in the future) and implement multiple strategic and operational initiatives simultaneously; unanticipated increases in medical costs (including increased intensity or medical utilization as a result of flu, increased COBRA participation rates or otherwise); changes in membership mix to higher cost or lower-premium products or membership-adverse selection; increases resulting from unfavorable changes in contracting or re-contracting with providers; and increased pharmacy costs, including in our health insurance exchange products; our ability to manage health care and other benefit costs; adverse program, pricing, funding or audit actions by federal or state government payors, including as a result of sequestration and/or curtailment or elimination of the Centers for Medicare & Medicaid Services’ star rating bonus payments; our ability to reduce administrative expenses while maintaining targeted levels of service and operating performance; a downgrade in our financial ratings; our ability to develop and maintain relations with providers while taking actions to reduce medical costs and/or expand the services we offer; our ability to demonstrate that our products lead to access to quality care by our members; our ability to maintain our relationships with third-party brokers, consultants and agents who sell our products; increases in medical costs or Group Insurance claims resulting from any epidemics, acts of terrorism or other extreme events; changes in medical cost estimates due to the necessary extensive judgmental effort that is used in the medical cost estimation process, the considerable variability inherent in such estimates, and the sensitivity of such estimates to changes in medical claims payment patterns and changes in medical cost trends; the ability to successfully implement our agreement with CVS Caremark Corporation on a timely basis and in a cost-efficient manner and to achieve projected operating efficiencies for the agreement; and adverse impacts from any failure to raise the U.S. government’s debt ceiling or any sustained U.S. Federal government shut down. For more discussion of important risk factors that may materially affect Aetna, please see the risk factors contained in Aetna’s 2012 Annual Report on Form 10-K (“Aetna’s Annual Report”) and Aetna’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2013 (“Aetna’s Third-Quarter 10-Q”), each on file with the Securities and Exchange Commission. You also should read Aetna’s Annual Report and Aetna’s Third-Quarter 10-Q for a discussion of Aetna’s historical results of operations and financial condition.
<table>
<thead>
<tr>
<th>Time</th>
<th>Session</th>
<th>Speaker(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00</td>
<td>Welcome</td>
<td>Guertin</td>
</tr>
<tr>
<td>9:05</td>
<td>2020: A vision for the future</td>
<td>Bertolini</td>
</tr>
<tr>
<td>10:00</td>
<td>Break</td>
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</tr>
<tr>
<td>10:15</td>
<td>Growth Through Provider Collaboration</td>
<td>Zubretsky</td>
</tr>
<tr>
<td></td>
<td>Driving a Retail Marketplace</td>
<td>Lewis</td>
</tr>
<tr>
<td></td>
<td>Coventry Enhances Growth</td>
<td>Rohan</td>
</tr>
<tr>
<td></td>
<td>Seizing the Opportunity – Government Business Growth</td>
<td>Soistman</td>
</tr>
<tr>
<td>11:30</td>
<td>Q&amp;A</td>
<td>Zubretsky, Lewis, Rohan, Soistman</td>
</tr>
<tr>
<td>12:00</td>
<td>Lunch (with Aetna Management)</td>
<td></td>
</tr>
<tr>
<td>1:00</td>
<td>Aetna’s Diversified Portfolio – Drivers of Growth</td>
<td>Guertin</td>
</tr>
<tr>
<td>1:30</td>
<td>Q&amp;A</td>
<td>Bertolini, Guertin</td>
</tr>
<tr>
<td>2:00</td>
<td>Conclusion</td>
<td>Bertolini</td>
</tr>
</tbody>
</table>
2014 Disclosure Changes

**Operating Earnings and Operating Earnings Per Share\(^{(1)}\)**

- Will exclude amortization of other acquired intangible assets
  - More representative of earnings capacity of Aetna’s businesses
  - Provides better comparability of underlying business performance from period to period
  - Adds ~$0.40 to 2013 Operating EPS

**Government Medical Benefit Ratio**

- Transitioning reporting to total Government MBR
  - Convergence of Medicare and Medicaid in light of dual eligible programs
Welcome

• Why Aetna

• Our vision of the future

• Aetna’s differentiated strategy

• How Aetna’s diversified portfolio can drive growth
2020: A vision for the future

Mark Bertolini
Chairman, CEO & President
Why Aetna
Who we are: the Aetna Way

We put the people we serve at the center of everything we do

The Aetna Way outlines the values by which we live, as the foundation for our culture, strategy and how we run our business

Integrity
We do the right thing for the right reason.

Excellence
We strive to deliver the highest quality and value possible through simple, easy and relevant solutions.

Inspiration
We inspire each other to explore ideas that can make the world a better place.

Caring
We listen to and respect our customers and each other so we can act with insight, understanding and compassion.
Superior Financial Performance

18%
3-Year EPS* Growth CAGR (2010-2013E)

130%
3-Year Total Shareholder Returns**

$52B
Annualized Revenues

Higher than diversified MCO peers

Higher than diversified MCO peers

3rd largest National Managed Care Organization

Aetna has the right strategy and positioning to continue to generate peer leading shareholder returns

* Adjusted Operating EPS from 2010-2013E.
** From December 1, 2010 to December 6, 2013.
Aetna’s Diversified Portfolio Can Enable Predictable Growth

The Core

Stability
- Commercial Insured
- Commercial ASC & Fee
- Group Insurance

Growth
- Government Services

Opportunity
- Small Group and Individual
- Next Generation Networks
- Consumerism
- Retail Marketplaces

Enhance the Core

Note: Percentages above represent approximate estimated 2013 pro forma EBITDA contribution
The Right Strategy for the Future

Aetna’s strategic initiatives and investments position us to grow

- Aligned Payor / Provider Incentives
- Consumer experience
- Connectivity through technology
Health care is primed for disruption
The Changing Landscape

<table>
<thead>
<tr>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Purchasing Decision</strong></td>
<td>Consumer and Government driven</td>
</tr>
<tr>
<td>Employer-sponsored</td>
<td>Consumer-empowered</td>
</tr>
<tr>
<td><strong>Consumer experience</strong></td>
<td></td>
</tr>
<tr>
<td>Employer-centric low tech</td>
<td>Consumer-empowered</td>
</tr>
<tr>
<td><strong>Distribution channel</strong></td>
<td></td>
</tr>
<tr>
<td>Direct and brokers</td>
<td>Retail marketplace</td>
</tr>
<tr>
<td><strong>Administration and services</strong></td>
<td></td>
</tr>
<tr>
<td>Complex</td>
<td>Simple and flexible</td>
</tr>
<tr>
<td><strong>Cost and delivery of care</strong></td>
<td></td>
</tr>
<tr>
<td>Fee-for-service</td>
<td>Value-based</td>
</tr>
</tbody>
</table>
Consumers will be the Key Decision Makers in the Future

Health care premiums are growing at nearly 4x the rate of inflation and wages.

Consumers are paying for half the increase in medical premiums.

Consumers are Ready for More Innovative and High-Tech Health Care Solutions

- **62%** are interested in using self-monitoring devices to report information to doctors electronically.
- **57%** would like to customize their own health plans.
- **70%** would like to see hospital prices and quality-of-care information on the Internet.
- **67%** are interested in using videoconferencing for follow-up care visits.

Retail Marketplaces can be the Primary Vehicle for Insurance

Retail Commercial exchange enrollment could exceed **75 million** by 2020

**Three sources of subsidy**
- Employer
- Federal Government
- Individual

*Source: CBO, Accenture and Aetna extrapolations*
The Emerging Retail Marketplace

Uninsured

Government
- Medicaid FFS
- Medicare FFS

Retail
- Individual (Public / Private Marketplaces)
- Individual MA
- Medicare Supplement
- Managed Medicaid

Commercial
- Large group
- Small group
- Group MA

Employer shift to defined contribution arrangements and exchanges will drive transition to a retail marketplace

2020*

*Estimated percentages of projected U.S. population. Source: Based on CBO, Accenture, and Aetna projections
The Rise of Value-based Contracting

In Three Years...

- 78% of physician practices expect to have meaningful value-based revenue
- 49% of facility revenue is projected to be derived from value-based payments
- 40% of health plans predict that value-based models will support the majority of their business

By 2020, approximately 50% of health care dollars could be paid through value-based payment models*

Source: Availity, 2013. Meaningful defined as at least 15%. *Extrapolation of Availity survey results
How Aetna’s strategy is differentiated
Where we are Today

- Specialist
- Pharmacy
- Diagnostic imaging
- Payor
- High cost
- Lab
- Member
- Clinic
- Primary care doctor

Questions:
- What’s covered?
- How long a wait?
- Why so much?
- I can’t get an appt!
- How far is this place?
- How much?
What if health care was built around your life?
The Effect of Retail Marketplaces
Healthier communities
Healthier nation
Healthier world
Healthier world

This is our vision.

1. Aligned economic incentives between payors and providers
2. A simpler, more transparent consumer experience
3. Technology that creates the health care community
Changing the Provider Revenue Model

The New Paradigm

- Expand risk sharing arrangements
- Launch low cost, narrow network products
- Improve quality of care and lower cost through technology
- Increase volume back to provider facilities
- Enhance profit through risk sharing arrangement

2013 Aetna Investor Conference | December 12, 2013
Aetna: The Most Transformational ACO Payor Partner

- Care Management Reports
- Care Coordinators
- Access to Claims Data
- Technology Solutions
- Consulting Services
- Branded Health Plans

KLAS
ACCURATE. HONEST. IMPARTIAL.

Cigna
Humana
UnitedHealth Group
Aetna
Aetna has developed strong collaborative provider relationships across Virginia.

- State of Virginia Employees
- Medicaid entry through MajestaCare
- Inova joint venture
- Launched new Small Group and Individual Products
Understanding the Aetna Difference

**M E D I C I T Y**

- Promotes coordination of care
- Reduces waste
- Semantic interoperability
- Real-time patient data

**ActiveHealth Management**

- Sends care alerts to doctors, care managers, patients (e.g., medication interaction)
- Identifies high risk patients for care intervention

**iTriage**

- Symptom checker
- Book appointments
- Reminders and alerts

**Aetna Mobile**

- Member payment estimator
- Find care
- Medications – price drugs and refill scripts
- Access PHR and track wellness
Reinventing the Patient Experience
Mary falls while jogging and lands on her shoulder

Mary goes to the ER, fills out paperwork and waits....

After a few hours, Mary gets an x-ray and waits....

Mary’s arm is put in a sling... she receives discharge paperwork and instructions

Mary’s shoulder isn’t the same... she treats her pain

Mary ignores the discharge instructions and feels follow-up care is unnecessary....
Reinventing the Patient Experience

Mary falls while jogging and lands on her shoulder

Mary researches ERs and her symptoms with iTriage

iTriage indicates it may be a separated shoulder
Mary checks in at an in-network ER with a short wait time

Radiologist confirms a separated shoulder; places her arm in a sling

Mary has her follow-up scheduled, and can change it on iTriage

During discharge, Mary books a follow-up and her records are sent electronically to her PCP

New Paradigm
“Those who cannot remember the past are condemned to repeat it…”

George Santayana
A Lesson from the Past...

Multiple Employer Trust

- Disparate demographics
- Volume aggregation model
- Consolidator received volume-based fees

Multiple Employer Welfare Arrangements

- Target like demographics or industry groups
- Able to manage populations better
The Developing Retail Marketplace...

Multi-Carrier marketplaces

Aetna will actively participate in the multi-carrier marketplaces to gain experience

Aetna will commercialize our own proprietary marketplaces for the long-term
A single marketplace presenting appropriate products to each shopper
The only constant is change... and change brings opportunity.
Today’s Political Environment

**Economic Conditions**
- Market indices are hitting new highs...
- Under-employment still at historic levels

**Gridlock**
- Government shutdown
- Entrenched viewpoints
- Politics over policy

**Public Exchanges**
- Initial roll-out “fumbled”
- Focused on ways to enhance 2014 participation
- Looking to 2015 premium stability

**Mid-term Elections**
- Obamacare rollout pressuring polls
- Health care likely to be a key election theme
Individual Insurance is Facing the Greatest Changes in 2014...

Aetna’s exposure to the individual business is not expected to change materially in 2014

Note: All metrics based on 2013 estimates, excluding Large Case Pensions and Corporate Financing. When calculating Aetna’s EBITDA, allocation of depreciation and amortization expense to the product groups presented above is estimated.
Where and How Aetna Chose to Participate

- **Competitive** cost structure
- **Stable** regulatory environment
- Offer **value** to customers
- **Achieve** target returns on capital
Aetna has a National Individual Footprint

Aetna’s individual footprint covers 80% of the individual public exchange marketplace*

*As of 9/30/13.
But a Limited On-Exchange Strategy

Aetna’s on-exchange participation accounts for approximately 30% of the individual marketplace
Playing for the Long-term on Public Exchanges

In 2020

25 million members on public exchanges*

$75+ billion in premium

Positioning to participate in this emerging retail marketplace

*Source: CBO's May 2013 Estimate of the Effects of the Affordable Care Act on Health Insurance Coverage
Aetna will continue to grow
Aetna’s Near-term Outlook

2014
- Committed to growing Operating earnings and Operating EPS
- Difficult year... ACA fees and taxes, Medicare Advantage rate pressures
- Highest four-year compound growth amongst peers

2015
- Initial ACA fees and taxes incorporated into baseline
- Additional Medicare Advantage rate pressures from ACA
- Returning to growth
- Coventry accretion and synergies accelerate

2016
- ACA related pressures abate
- Longer-term revenue growth opportunities begin to mature
- Return to longer-term Operating EPS growth dynamics

Aetna is poised to re-enter a period of normal growth following years of ACA pressures
Aetna’s Diversified Model Presents Multiple Opportunities to Grow

<table>
<thead>
<tr>
<th>Marketplace</th>
<th>Members</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-insured to Fully-insured</td>
<td>1M</td>
<td>$4B+</td>
</tr>
<tr>
<td>Public Exchanges</td>
<td>1M</td>
<td>$3B+</td>
</tr>
<tr>
<td>Medicare Advantage</td>
<td>500K</td>
<td>$5.5B+</td>
</tr>
<tr>
<td>Dual Eligibles</td>
<td>100K</td>
<td>$3.5B+</td>
</tr>
</tbody>
</table>

Additional Growth Opportunities

Healthagen
Aetna’s Goal: **Double** Operating Revenues\(^{(2)}\) by the End of the Decade

- **Aetna's Goal:** Double operating revenues by the end of the decade.

- **2013E:** $47B
- **2020:** $100B+

- **11%+ CAGR**

- **Strategies:**
  - Retail Marketplaces
  - Public Exchanges
  - Medicare Advantage
  - Medicaid Expansion
  - Dual-eligibles
  - Price to Trend
  - Coventry
Aetna’s Shareholder Value Creation Model

**Drive operating earnings**
- Price to trend in Commercial
- Grow Medicare Advantage
- Dual eligibles
- Retail Marketplaces
- Long-term investments

**5%+ Growth**

**Deploy capital effectively**
- Shareholder dividend
- Invest in organic growth
- Disciplined M&A
- Share repurchases

**5%+ Growth**

**Target low double-digit operating EPS growth on average over time**

Coventry accretion enhances short-term Operating EPS growth
Achieving growth through provider collaboration

Joe Zubretsky
Senior Executive Vice President
The New Vocabulary

- Supply and demand economics
- Patient population health
- Volume to value
- Durable economics
- Disruptive distribution
Growth Through Collaboration

• Provider revenue model is changing

• Aetna’s differentiated solution: volume to value

• Achieving durable economics

• Growing the core business
Growth Through Collaboration

- Provider revenue model is changing
- Aetna’s differentiated solution: volume to value
- Achieving durable economics
- Growing the core business
$30 billion Hospital Payment Shortfall from Medicare and Medicaid in 2011

Aggregate Hospital Payment-to-cost Ratios

Medicare and Medicaid as a % of total Hospital Cost – 1980 / 1990 / 2010

Providers Face Two Options

Focus on managing operational costs through vertical integration
- Buy medical facilities or physician groups
- Improve operations to drive revenue model

Focus on managing medical costs through virtual integration
- Provider collaborations
- Patient centered medical homes
- Accountable Care Solutions
- Collaborate and share risks to drive revenue model

Providers have concluded they should participate in underwriting margin flows
Hospitals are Consolidating to Improve Cost Structure

Hospital consolidation: 2007 – June 2013

348 Hospital M&A transactions

607 Total hospitals acquired

12% Of total hospitals

Medical Practice Ownership

Source: FTI Consulting. MGMA Physician Compensation and Production Survey Report, WSJ.
Target Rich Environment

Key Criteria

- Concentration of patient market share in a few facilities
- Dominant payor in locality
- High percentage of hospital “owned” physicians
- Significant Aetna presence
• Provider revenue model is changing

• **Aetna’s differentiated solution: volume to value**

• Achieving durable economics

• Growing the core business
Transforming the Provider Business Model

Aetna’s Healthagen technologies enable a complete provider transformation: revenue model, clinical model and business model.
Aetna’s Solution: Change the Emphasis from Volume to Value

**Volume**

- Provider revenues contingent on volume of services
- Encourages additional capacity and unnecessary care
- Denied claims, un-reimbursed admissions and other penalties as payors manage utilization
- Payors and providers as adversaries

**Value**

- Re-aligned financial incentives create diversified revenue sources
- Improved capital efficiency and capacity
- Quality improvement increases performance-based reimbursement
- Aligned incentives for providers to provide appropriate care in the appropriate setting
Changing the Model to Alleviate Provider Pressures

Aetna aggregates patients that enhance volumes and profits for its provider partners.
Numerous models within value-based contracting reflect evolving supply chain management philosophies.
Aetna’s Value-Based Contracting Successes

**Provider collaborations**
- **112** Medicare Provider Collaborations

**Patient centered medical homes**
- **41** Single-payer
- **8** Multi-payer
- **63** Medicaid

**Accountable Care Solutions**
- **32** Signed deals
- **32** Letters of intent
- **200+** Providers in pipeline

Aetna is executing across the value-based contracting spectrum

As of December 12, 2013.
We are building... the 21st Century Health Care System

Enable ACO-branded insurance products. Consultation to ensure success

Online tools to help consumers manage their health care and wellness

Consumer tool to research treatments, find providers and make appointments

Aetna’s solution is payor agnostic and enables virtual integration

Patient health information exchange technology

Apps to help physicians connect their own data and information

Clinical decision support to identify gaps in care and best practices
Aetna: The Most Transformational ACO Payor Partner

Cigna

Operational

Humana

Consulting Services

UnitedHealth Group

Technology Solutions

Transformational

Access to Claims Data

Branded Health Plans

Care Coordinators

Care Management Reports
Technology Enabled Provider Model

Technology and data at the point of care

Embedded local care management

Enhanced patient outreach

✓ Control over specialty pharmacy and devices

✓ Appropriate use of community and home care options

✓ Everyone operating at the “top of their license”
Growth Through Collaboration

• Provider revenue model is changing

• Aetna’s differentiated solution: volume to value

• Achieving durable economics

• Growing the core business
Our Approach is Designed to Save Customers 8%-15% in the First Year

1. **Aetna plan design**
   Employees access care from ACO doctors who are rewarded for improved quality and lower costs

2. **Cost structure improvements**
   ACOs agree to market-leading fee discounts in exchange for expected ACO Plan volumes

3. **Clinical/administrative efficiencies**
   Advanced technology and new care management reduces waste, identifies gaps in care, and improves the patient experience

*Actual results may vary since they depend on a variety of factors including ACO plan model.*
We Sustain Savings Year Over Year with Lower Medical Trends

Illustrative example showing average monthly medical costs for each member

<table>
<thead>
<tr>
<th>Year</th>
<th>Without ACO</th>
<th>With ACO</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$378</td>
<td>$340</td>
</tr>
<tr>
<td>2015</td>
<td>$408</td>
<td>$364</td>
</tr>
<tr>
<td>2016</td>
<td>$441</td>
<td>$389</td>
</tr>
</tbody>
</table>

$1,600 savings per member over 3 years

$38 savings in first year
$44 savings
$52 savings

8 to 15% medical cost savings
Reduced trend maintained through ACO care model
### Accountable Care Solutions Risk Sharing Example

*Illustrative PMPMs shown*

<table>
<thead>
<tr>
<th></th>
<th>Medical Costs Higher</th>
<th>Base Case</th>
<th>Medical Costs Lower</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-ACO Medical Costs</strong></td>
<td>$378</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>ACO Medical Costs</strong></td>
<td>$350</td>
<td>$340</td>
<td>$330</td>
</tr>
<tr>
<td><strong>Risk Share: 50/50</strong></td>
<td>($5)</td>
<td>-</td>
<td>$5</td>
</tr>
<tr>
<td><strong>Pre-tax Profit</strong></td>
<td>$25</td>
<td>$30</td>
<td>$35</td>
</tr>
</tbody>
</table>

**Comments**

- Provider shares down-side risk
- Higher volumes drive higher profit
- Aligned incentives can drive improved outcomes over base case

**10% reduction in medical costs**

**Risk sharing model incented aligned behavior and reduces variability**
Our ACO Care Management Programs Drive Improved Outcomes and Reduced Costs

We support members

- Engage members proactively to keep them healthy
- Encourage use of providers in the ACO network
- Coordinate care across the network
- Acute and chronic disease management

We influence providers

- Encourage referrals to most efficient sites of service
- Drive behaviors that eliminate waste
- Improve access through same day appointments, evening/weekend hours

Improved health outcomes

Reduced medical costs

We support members

- Engage members proactively to keep them healthy
- Encourage use of providers in the ACO network
- Coordinate care across the network
- Acute and chronic disease management

We influence providers

- Encourage referrals to most efficient sites of service
- Drive behaviors that eliminate waste
- Improve access through same day appointments, evening/weekend hours

Reduced medical costs
And Improved Member Engagement Through Preferred Channels

- A team focused on keeping members healthy
- Mail, email, and/or text reminders to support a healthy lifestyle
- 24/7 remote access to a care nurse and personal health record
- Alerts for adverse drug interactions, missed prescriptions
- Mobile apps like iTriage® that help members find the care that’s right for them
- Discourage duplicative, expensive and, in some cases, invasive tests
This is a New Model, not an HMO

A win-win-win for employers, doctors and patients

‘90s style HMOs

Name, DOB, Member number, Claim run, capitation check

Insurance company acting as gatekeeper

Financial incentives without clinical focus

Capitation

New Paradigm

Improved velocity and veracity of clinical information

Provider is the gatekeeper...

Intense clinical focus and clinical path improvement

Symmetrical risk sharing
Growth Through Collaboration

• Provider revenue model is changing

• Aetna’s differentiated solution: volume to value

• Achieving durable economics

• Growing the core business
Aetna’s Provider Collaboration Goals

- **Enter** into collaborative risk sharing arrangements with providers
- **Receive** best-in-market provider unit costs
- **Launch** new insurance products in the marketplace
- **Grow** membership faster than the marketplace at target margins

Aetna’s Provider Collaborations are focused on lowering costs and growing membership in our core
ACOs are Expanding our Value-Based Network

Over 200 active ACO negotiations covering 60% of U.S. population

Key

- **Contracted ACOs**
- **Primary Care Medical Homes (PCMH)**
- **Medicare Collaborations**
- **ACOs in Negotiation**
- **Other Aetna Value-based contracts** (Institutes of Excellence and Quality, Hospital/Specialty P4P, Bundled Payments, Aetna Performance Network, Aexcel & Savings Plus)

2013 Aetna Investor Conference | December 12, 2013
Aetna ACS: Go to Market Strategy

First Sale

• Population health enablement contracts
• Joint Ventures
• Shared savings installations (Pioneer, MSSP)
• Aetna powered provider health plans

Second Sale

• Launch Aetna Whole Health or co-branded product
• Use hospital patient rolls to identify new members
• Retail marketplaces
• Hospital employees
• Large employer purchasing coalitions

Changing the business model first, the distribution model second
Provider Collaborations

Nearly **50%** of Aetna’s individual MA members in a provider collaboration

Project signed collaborations to grow by **25%** by year end 2014

Patient Centered Medical Homes

**740K** members in a PCMH

Project to grow signed PCMHs **20%** by year end 2014

Accountable Care Solutions

**Partnerships**

- **2013E**: 30+
- **2014P**: 60

**Membership (K)**

- **2013E**: 550
- **2014P**: 850

2013 Aetna Investor Conference | December 12, 2013
Driving Value Based Spend

Aetna is committed to transforming the network model.

Value-based spend is projected to Triple by 2017.

VBC Spend

<table>
<thead>
<tr>
<th>Year</th>
<th>VBC Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013E</td>
<td>~15%</td>
</tr>
<tr>
<td>2017P</td>
<td>~45%+</td>
</tr>
</tbody>
</table>
We are in the business of **supply chain management**

We have proprietary and differentiated capabilities that enable providers to **change**

Our provider performance improvements can yield a **sustainable, best-in-class cost structure**

We can drive the shift from **volume to value**

We are launching **new products**

Enabling faster **growth**
We are in the business of supply chain management.

We can drive the shift from volume to value.

We have proprietary and differentiated capabilities that enable providers to change.

Our provider performance improvements yield a sustainable, best-in-class cost structure.

We are launching new products enabling faster growth.
Driving a Retail Marketplace

Dijuana Lewis
Executive Vice President
<table>
<thead>
<tr>
<th>Category</th>
<th>FROM</th>
<th>TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing Decision</td>
<td>Employer-sponsored</td>
<td>Consumer and Government driven</td>
</tr>
<tr>
<td>Consumer experience</td>
<td>Employer-centric low tech</td>
<td>Consumer-empowered</td>
</tr>
<tr>
<td>Distribution channel</td>
<td>Direct and brokers</td>
<td>Retail marketplace</td>
</tr>
<tr>
<td>Administration and services</td>
<td>Complex</td>
<td>Simple and flexible</td>
</tr>
<tr>
<td>Cost and delivery of care</td>
<td>Fee-for-service</td>
<td>Value-based</td>
</tr>
</tbody>
</table>
The Movement to Consumerism

The move to defined contribution retirement plans was an evolution...

The move to the retail marketplace could be a revolution

Source: U.S. Department of Labor
How do we get to Defined Contribution?

An holistic solution to sustainable cost control and predictability

- Employee Engagement
  - Plan design
  - CDHP
  - Gated products
  - Technology tools

- Medical Cost Saves
  - ACOs
  - Transparency
  - Aligned incentives / payment reform

- Efficiencies
  - Low cost distribution
  - Streamlined admin
  - Big data

Lower Cost + Better Outcomes + Improved Expenses
= More Manageable Trend
### Retail Marketplaces are a Vehicle to Address Employer Needs

<table>
<thead>
<tr>
<th>Lower Cost</th>
<th>Enhanced Administration</th>
<th>Improved Service and Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Marketplace Today</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Transparency and choice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Competition leading to lower pricing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Limited care management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail Marketplace in the Future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Population health management will help drive to lower medical costs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Multiple exchange solutions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Fragmented membership across multiple carriers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Fully integrated, “one-stop-shop”</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ Limited personalization</td>
<td></td>
<td></td>
</tr>
<tr>
<td>▪ “Big Data” enables personalized experience</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Lower Cost
Enhanced Administration
Improved Service and Experience
# Retail Marketplaces Will Address Consumer Needs

<table>
<thead>
<tr>
<th>Improved Service and Experience</th>
<th>Better Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tailored product offering</td>
<td>Enable consumers to buy based on need</td>
</tr>
<tr>
<td>Retail shopping with guided selling</td>
<td>Increased competition</td>
</tr>
<tr>
<td>Member experience</td>
<td>Population health management</td>
</tr>
<tr>
<td>Integrated tools</td>
<td>Defined contribution</td>
</tr>
</tbody>
</table>
Actively Participate On Multi-Carrier Marketplaces

<table>
<thead>
<tr>
<th></th>
<th>National marketplaces</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Local &amp; Regional marketplaces</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Medicare marketplaces</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>9</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Aetna product will be on many shelves in 2014.
Aetna Marketplace Integrates the Best that our Brand has to Offer

A single marketplace presenting appropriate products to each shopper

- Active Employees with Group Benefits
- Pre and Post 65 retirees with Group Benefits
- Aetna Retail Store for Individual Shoppers

- "Best of Aetna"
  - Networks / ACOs
  - Consumer tools
  - "Big Data" / analytics
  - Population health management

- "Best of Retail Marketplaces"
  - Defined contribution
  - Employee and retiree shopping
  - Simplified administration

- "Best of Public Exchanges"
  - Individual products
  - Broad product choice
  - Subsidy verification
Aetna configures an integrated solution that meets the plan sponsor’s goals
The Power of the Marketplace

Leveraging Aetna’s ubiquitous technologies

Aetna Mobile

PayFlex

iTriage

ActiveHealth Management
The Mobile Consumer Experience for 2015

Putting the Health Care system into your pocket, accessible anytime, anywhere

iTriage

- Check Symptoms
- Understand Conditions
- Find a Doctor or Facility
- Book an Appointment

Integrate assets into one comprehensive and personalized app

Cost Tools
- Find Costs for Services
- See Coverage
- View Deductibles

Getting Care

- Price Drugs
- Refill Prescriptions
- Set Medication Reminders

Paying and Planning
- Pay for Services
- Manage Accounts & Funds
- Make Mobile Payments

Wellness Support
- Track & Earn Incentives
- Set Wellness Goals
- Integrate w/ 3rd Party Apps

Active Health Management
- View and Update PHR
- Personalized Alerts & Content
- Securely Communicate w/ Doc

Money² from Citi
- Securely Communicate w/ Doc

2013 Aetna Investor Conference | December 12, 2013
The Marketplace Opportunity

90M Estimated members in commercial self-funded plans in 2013

1.3x 2014: Aetna’s ratio of projected new retail marketplace members vs. ceded members

67% 2014: Percent of projected new retail marketplace members that are fully-insured

4-5x Profit contribution of Commercial fully-insured membership vs. ASC

Aetna believes it can win its fair share in the emerging Retail Marketplaces
Coventry

drives additional growth
Strategically Compelling and Financially Attractive

$52 billion in Annualized Revenue

$4.3 billion in Pro Forma EBITDA

$2.7 billion in Net Dividends from Subsidiaries

Note: Revenue, EBITDA and net dividends from subsidiaries are 2013 estimates.
## Complementary Set of Assets

<table>
<thead>
<tr>
<th>National accounts</th>
<th>Commercial</th>
<th>Local group</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group MA</td>
<td>Medicare</td>
<td>Individual</td>
</tr>
<tr>
<td>Medicare</td>
<td>Individual MA</td>
<td></td>
</tr>
<tr>
<td>Supplement</td>
<td>Medicare PDP</td>
<td></td>
</tr>
<tr>
<td>Mostly ASC</td>
<td>Medicaid</td>
<td>Insured</td>
</tr>
<tr>
<td>Large group</td>
<td>Historical</td>
<td>Local strategy</td>
</tr>
<tr>
<td>B to B</td>
<td>Focus</td>
<td>B to C</td>
</tr>
<tr>
<td>Urban</td>
<td></td>
<td>Rural</td>
</tr>
</tbody>
</table>
That Enhances Aetna’s Geographic Profile

- Added nearly 4 million medical members and 1.5 million PDP members
- Increased medical membership in two of Aetna’s top 10 States
- Opened other geographies where Aetna historically has not had a strong presence

Transaction enhances geographic footprint and improves local commercial presence
Combining Best Practices and Capabilities

- Multi-site Capabilities
- Capital Management
- Specialty Products
- Group MA Platform
- Provider & Consumer Tools
  - Active Health Solutions
  - Medicity
  - Carepass
  - i2i

- Low Cost Focus
- Deep Local Market Expertise
- Medicare Stars Execution
## Benefiting from Combined Strengths

<table>
<thead>
<tr>
<th>State of Illinois Retiree Contract</th>
<th>Pittsburgh Based Energy Company</th>
<th>Cross Sales of Specialty Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Retiree lives</strong></td>
<td><strong>Retiree lives</strong></td>
<td><strong>Over 100 cross-sales to date</strong></td>
</tr>
<tr>
<td>One of two plans selected to offer Medicare Advantage HMO plans in 47 counties across the state</td>
<td>~60% Aetna and ~40% Coventry</td>
<td></td>
</tr>
</tbody>
</table>
Principles of Integration

- Maintain business continuity
- Lay out long term growth foundation
- Retain critical employees
- Protect / grow customer base
- Manage reform impacts

Critical elements to long term integration success
Executing on Integration

Retained key Coventry talent

Client retention improved over pre-close rates

Maintained client service levels
Moving from **integration** focus... to **migration** focus
Drivers of Coventry Projected Synergies

Corporate overlap
Elimination of public company expenses

~$50M 2013

Medical cost & network synergies
Operational streamlining
Vendor re-contracting
Specialty pharmacy migration

~$200M 2014

Additional medical cost & network synergies
Continued operational streamlining
IT rationalization

~$400M 2015
The Coventry Acquisition Drives Accelerated Growth

Projected Synergies (millions)

- 2013P: ~$50
- 2014P: ~$200
- 2015P: $400

Projected Operating EPS Accretion

- 2013P: ~$0.25
- 2014P: ~$0.50
- 2015P: $0.90
Seizing the opportunity - government growth

Fran Soistman
Executive Vice President
Government Services Has Highly Attractive Demographics

- 11 Thousand Daily Medicare age-ins
- 15 Million ACA Medicaid expansion eligibles
- 9 Million Dual eligible population
Government Projected to Have Another Strong Year

Aetna projects continued

**Government Growth**

- Individual MA
- Group MA
- Dual-Eligibles
- Medicaid Expansion
- Medicare Supplement

---

**Government Premiums (in billions)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013E</th>
<th>2014P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>$7</td>
<td>$7</td>
<td>$8</td>
<td>$15+</td>
<td>$19+</td>
</tr>
</tbody>
</table>

28% CAGR
Aetna has a Well-Diversified Medicare Portfolio

Aetna’s Medicare franchise is positioned for continued growth

Membership data as of September 30, 2013
Medicare Has Been a Growth Driver for Aetna

Aetna projects continued Medicare growth

Premiums (in billions)


$1.0 $1.8 $2.6 $4.8 $5.7 $5.9 $5.5 $6.3 $11+ $13+

33% CAGR
Star Ratings Are a Differentiator

Highest percent of members in plans rated 4 stars or greater among national carriers
Aetna is Executing on Our Plan to Address 2014 Medicare Advantage Rate Pressures...

<table>
<thead>
<tr>
<th><strong>Care &amp; Medical Management</strong></th>
<th>Enhanced care management and medical management, including accelerating ACO’s and provider collaborations</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Plan Design</strong></td>
<td>Geography, benefit plan design and premiums</td>
</tr>
<tr>
<td><strong>Re-contracting</strong></td>
<td>Re-contract, particularly with providers where we pay in excess of fee for service</td>
</tr>
<tr>
<td><strong>SG&amp;A</strong></td>
<td>Examine our administrative cost structure</td>
</tr>
</tbody>
</table>
...And Preparing to be Successful at Parity

- Average rating of 4.04
- Highest average rating among national carriers
- 62% of members in plans rated 4 stars or better

- Industry leading medical management capabilities
- Higher engagement and quality
- Improved health and productivity

- Evolving payment models
- Aligned incentives
- Improved quality outcomes
- Narrow network option

- Coventry acquisition adds membership and revenue
- Integrated technology
- Targeted expense reduction

- Increase Star Ratings
- Network Contracting
- Medical Management
- Improve Cost Structure
Aetna is Expanding its Footprint to Continue to Capture Growth

Offering Individual Medicare Advantage in 539 counties for 2014 representing nearly half of the Medicare eligible population.

Note: Aetna’s and Coventry’s Individual Medicare Advantage footprints for 2014 overlap in 46 counties.
Private Retiree Marketplace: A Growing Trend

Why a Retiree Marketplace?
- Defined contribution
- Reduced administrative burden
- Increased competition
- Retail shopping experience

How We Win
- Group marketplace solution
- Conversion to fully-insured
- Geographic expansion

Aetna is currently participating in 9 retiree exchanges and expanding our footprint to address this trend.
Aetna’s Medicaid Footprint

A leading Managed Medicaid provider

Over 2 million medical members served

The ACA is expected to further increase Medicaid enrollment in 2014

Well positioned to serve high acuity populations

2014 footprint states

2014 Dual Eligible expansions

2014 Medicaid expansion states
The Right Integration

We have leading edge medical management capabilities that focus on:

- Fully integrated care
- Strong provider partnerships and alliances with community based organizations
- Interdisciplinary care teams that include the member and family
- Leveraging technology to provide care team a view of the whole person
Aetna’s Model of Care: Integrated Care Management

Intensive care management focuses on the top **3-5%** who account for more than **50%** of all Medicaid costs.

High-risk vulnerable members. Care managers address the root causes that drive poor health, within the context of a longer term working relationship with the member.

Lower complexity profile with less risk for future utilization.

Low risk profile members.
Recent Wins Are a Testament to Aetna’s Capabilities

Aetna has won its fair share in this emerging marketplace

*Administration for Mercy Maricopa Integrated Care
Government Services Growth

The right platform and favorable demographics enable Aetna to grow its Government franchise.

Medicare

A complete portfolio of products

Medicaid

A leader in complex, high acuity solutions
Q&A Panel

Moderator

Shawn Guertin
Chief Financial Officer

Panelists

Dijuania Lewis
Karen Rohan
Fran Soistman
Joe Zubretsky

Representing

Consumer Products
Local & Regional Businesses
Government Services
National Businesses
Aetna’s diversified portfolio

Drivers of growth

Shawn Guertin
Chief Financial Officer
Aetna’s Growth Levers Drive Earnings

- Large group Commercial business can profitably grow
- Government franchise is a growth engine
- Small group and individual are an opportunity

Next generation networks enhance the core

Diversified portfolio can enable predictable growth
Aetna’s Diversified Revenue and Profit Base is a Strength

- **Operating Revenue**: 36% (Government), 16% (Small Group* and Individual), 9% (Large Group Insured), 4% (Commercial ASC and Fee Businesses)
- **EBITDA**: 39% (Group Insurance), 24% (Commercial ASC and Fee Businesses), 22% (Large Group Insured), 5% (Operating Revenue)

Aetna seeks to substantially increase government program revenue and profit over the next several years.

---

**Note**: All metrics based on 2013 estimates, excluding Large Case Pensions and Corporate Financing. *Small Group = 2-100 eligible employees.* When calculating Aetna’s EBITDA, allocation of depreciation and amortization expense to the product groups presented above is estimated. The EBITDA figures above have been normalized to account for the underperformance of Aetna’s individual Medicare Advantage and Group Life businesses and Coventry’s Value Plus PDP product in 2013.
Driving Operating EPS Growth

Aetna projects the **highest** 4-year CAGR among its diversified peers...

We are committed to growing operating earnings and operating EPS in 2014

*Adjusted Operating earnings per share.*
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Returns
- Execute Capital Plan
- Grow Operating Earnings per Share

Consistent Execution will lead to continued success
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Margins
- Execute Capital Plan
- Grow Operating Earnings per Share

Aetna can grow revenues at Double-digit rates
Aetna Can Continue to Demonstrate Topline Growth

Aetna expects to grow **organically** and through the acquisition of Coventry.

<table>
<thead>
<tr>
<th>Year</th>
<th>Operating Revenue (in billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>$34</td>
</tr>
<tr>
<td>2011</td>
<td>$34</td>
</tr>
<tr>
<td>2012</td>
<td>$36</td>
</tr>
<tr>
<td>2013E</td>
<td>~$47</td>
</tr>
<tr>
<td>2014P</td>
<td>~$53</td>
</tr>
</tbody>
</table>
## Membership Mix Projected to Shift Towards Higher Revenue Government Products

<table>
<thead>
<tr>
<th>Membership</th>
<th>2014 Commentary</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Projection</td>
<td>~22.1M</td>
</tr>
<tr>
<td>Commercial ASC</td>
<td>+120K</td>
</tr>
<tr>
<td></td>
<td>• New business wins, primarily in Public and Labor and Middle Markets accounts</td>
</tr>
<tr>
<td>Commercial Risk</td>
<td>(150K)</td>
</tr>
<tr>
<td></td>
<td>• Public exchange disruption, CA individual exit and continued pricing discipline</td>
</tr>
<tr>
<td>Medicare</td>
<td>+80K</td>
</tr>
<tr>
<td></td>
<td>• Medicare Supplement (+25k) and Coventry Medicare Advantage growth more than offset Aetna Individual MA membership declines</td>
</tr>
<tr>
<td>Medicaid</td>
<td>(100K)</td>
</tr>
<tr>
<td></td>
<td>• Exit of CA ASC contract (~125K) partially offset by modest insured growth from expansions</td>
</tr>
<tr>
<td>1Q 2014 Projection</td>
<td>~22.1M</td>
</tr>
<tr>
<td></td>
<td>• Flat membership in 1Q 2014</td>
</tr>
</tbody>
</table>

Aetna projects 1Q14 medical membership will be stable
Commercial Insured Projected to Grow

2013 Premium Growth Drivers

- Full Year of Coventry
- Pricing to projected medical cost trends
- Collection of ACA fees and taxes
- 1Q14P Membership down 150 thousand

Commercial Premiums (in billions)

<table>
<thead>
<tr>
<th>Year</th>
<th>Premium (Billions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>$20</td>
</tr>
<tr>
<td>2012</td>
<td>$21</td>
</tr>
<tr>
<td>2013E</td>
<td>$24+</td>
</tr>
<tr>
<td>2014P</td>
<td>~$27</td>
</tr>
</tbody>
</table>

11% CAGR
Government Projected to Have Another Strong Year

Aetna projects continued

Government Growth

- Individual MA
- Group MA
- Dual-Eligibles
- Medicaid Expansion
- Medicare Supplement

Government Premiums (in billions)
Aetna’s Financial Levers

- Generate Revenue Growth
- **Produce Stable Underwriting Results**
- Drive Continued Cost Efficiencies
- Achieve Target Margins
- Execute Capital Plan
- Grow Operating Earnings per Share

Price with **discipline** to underlying cost trends

**Maintain** appropriate mix-adjusted underwriting margins
The Key to Operating Margins is Pricing for Medical Cost Trends

Aetna projects Medical Cost Trends will increase by 75 to 100 bps in 2014, partially driven by ACA related-impacts.

Note: All medical cost trend information is Aetna standalone; numbers in parentheses in table represent approximate percentage of total commercial medical cost trends for each listed category.
## 2014 Commercial MBR Guidance

<table>
<thead>
<tr>
<th>2013 Guidance</th>
<th>80% to 81%</th>
<th>Low end of guidance range</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 HIF Impact</td>
<td>40 bps</td>
<td>Early collection of HIF</td>
</tr>
<tr>
<td>Margin reset</td>
<td>125-150 bps</td>
<td>2013 Prior Year Development; Crediting of 2013 experience</td>
</tr>
<tr>
<td>Underlying 2014 CMBR Guidance</td>
<td>81.5% to 82.5%</td>
<td>Implied range on a consistent basis with historical metrics</td>
</tr>
<tr>
<td>Impact of HIF</td>
<td>~250 bps</td>
<td>2014 collection of the HIF</td>
</tr>
<tr>
<td>2014 Guidance</td>
<td>79% to 80%</td>
<td></td>
</tr>
</tbody>
</table>

**Underlying Commercial MBR is projected to rise as favorable 2013 experience is credited back in 2014 rates**
Offsetting the ACA Fees and Taxes

**Commercial** $700M \[\rightarrow\] Price for in yields, in addition to trend and other ACA impacts

**Medicare** $185M \[\rightarrow\] Adjust premiums, in select instances; Adjust cost structure

**Medicaid** $75M \[\rightarrow\] Negotiate with cash-strapped States to include in rates in addition to trend increases

**Total Company** ~$1B

ACA Fees and Taxes are equal to over 40% of Aetna’s Projected 2014 Operating Earnings

Note: Amounts above are estimated and exclude tax-gross up amounts.
# Income Statement Impacts of ACA Fees and Taxes

<table>
<thead>
<tr>
<th>Income Statement Item</th>
<th>Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premiums</td>
<td>▲▲</td>
</tr>
<tr>
<td>Medical Benefit Ratio</td>
<td>▼▼</td>
</tr>
<tr>
<td>Operating Expense Ratio</td>
<td>▲▲</td>
</tr>
<tr>
<td>Pretax Operating Margin</td>
<td>▲▲</td>
</tr>
<tr>
<td>Tax Rate</td>
<td>▲▲</td>
</tr>
</tbody>
</table>
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Margins
- Execute Capital Plan
- Grow Operating Earnings per Share

Actively manage costs to gain continued operating leverage

Achieve Coventry synergies
Aetna continues to drive **fixed cost leverage** as we grow.

Aetna’s 2014 goal is for underlying SG&A expense to grow by less than 1% from 2013 pro forma levels.
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- **Achieve Target Margins**
- Execute Capital Plan
- Grow Operating Earnings per Share

**Maintain** mix-adjusted operating margin profile
Aetna has Consistently Exceeded its Return Targets

8.0% ± 25 bps

2013E Pre-tax Operating Margin

Aetna projects we will achieve our high-single digit margin targets in 2013 and 2014

7.5%+

2014P Pre-tax Operating Margin\(^{(4)}\)
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Margins
- Execute Capital Plan
- Grow Operating Earnings per Share

Continue to deploy capital to enhance shareholder value
## Aetna Has a Strong Track Record of Capital Generation and Management

<table>
<thead>
<tr>
<th>Shareholder dividend</th>
<th>Demonstrates confidence in strategy and cash flows</th>
</tr>
</thead>
<tbody>
<tr>
<td>Invest in organic growth</td>
<td>20%+ return on incremental capital</td>
</tr>
<tr>
<td>Disciplined M&amp;A</td>
<td>Deployed over $10 billion of capital in the last 3 years</td>
</tr>
<tr>
<td>Share repurchases</td>
<td>$6.2 billion deployed to repurchase Aetna shares over the past four years</td>
</tr>
<tr>
<td>Innovation</td>
<td>Vitality reinsurance transactions</td>
</tr>
</tbody>
</table>
## Capital Generation and Deployment

<table>
<thead>
<tr>
<th></th>
<th>2013 Guidance</th>
<th>2014 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Liquidity</strong></td>
<td>$2,400</td>
<td>$200</td>
</tr>
<tr>
<td><strong>Net Subsidiary Dividends</strong></td>
<td>$2,650</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>Coventry Cash</strong></td>
<td>$900</td>
<td>-</td>
</tr>
<tr>
<td><strong>Coventry Funding</strong></td>
<td>($4,000)</td>
<td>-</td>
</tr>
<tr>
<td><strong>Net Debt Retirement</strong></td>
<td>-</td>
<td>($225)</td>
</tr>
<tr>
<td><strong>Projected Share Repurchases</strong></td>
<td>($1,400)</td>
<td>($1,200)</td>
</tr>
<tr>
<td><strong>Shareholder Dividends</strong></td>
<td>($280)</td>
<td>($325)</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td>($240)</td>
<td>($250)</td>
</tr>
<tr>
<td><strong>Other</strong></td>
<td>$170</td>
<td>($100)</td>
</tr>
<tr>
<td><strong>Core Liquidity</strong></td>
<td>$200</td>
<td>$100</td>
</tr>
</tbody>
</table>

~$1.2 billion of projected share repurchases in 2014
# Achieving Capital Goals

<table>
<thead>
<tr>
<th></th>
<th>2013E</th>
<th>2014P</th>
<th>2015P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt to Capital</td>
<td>38%</td>
<td>~36%</td>
<td>35%</td>
</tr>
<tr>
<td>Risk Based Capital*</td>
<td>285%</td>
<td>275%</td>
<td>275%</td>
</tr>
<tr>
<td>Debt Repayment</td>
<td>$550M of Commercial Paper</td>
<td>$375M of CVH 6.3% Notes</td>
<td>$229M of CVH 6.125% Notes</td>
</tr>
<tr>
<td>Share Repurchases</td>
<td>$1.4B</td>
<td>$1.2B</td>
<td>$1B+</td>
</tr>
</tbody>
</table>

Aetna is committed to maintaining solid investment grade ratings

*Risk Based Capital percentages based on Company Action Level. Authorized Control Level amounts approximately 2x the values listed.*
Aetna’s Financial Levers

- Generate Revenue Growth
- Produce Stable Underwriting Results
- Drive Continued Cost Efficiencies
- Achieve Target Margins
- Execute Capital Plan

Revenue Growth and Operating Leverage lead to
Operating EPS growth

Grow Operating Earnings per Share
2014 Challenges and Opportunities

**Challenges**

- Prior years’ development not included in forward view
- Experience rated pressure
- Collection of ACA fees and taxes, including 2013 benefit of early collection
- Medicare Advantage rate pressures

**Opportunities**

- Fixed cost leverage and cost containment
- Underlying business performance
- Full year impact of Coventry accretion
- Impacts of capital allocation

Remain committed to growing both operating earnings and operating EPS in 2014
### 2014 Operating EPS Outlook

#### Operating EPS Bridge (1)

<table>
<thead>
<tr>
<th>2013 Adjusted Operating EPS Midpoint</th>
<th>$6.25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Benefit Ratio Pressures (PYD and Experience Rating)</td>
<td>($0.65)</td>
</tr>
<tr>
<td>Early Collection of ACA Fees and Taxes</td>
<td>($0.20)</td>
</tr>
<tr>
<td>Fixed Cost Leverage</td>
<td>$0.40</td>
</tr>
<tr>
<td>Impact of share repurchases</td>
<td>$0.30</td>
</tr>
<tr>
<td>Full-year Impact of Coventry</td>
<td>$0.25</td>
</tr>
<tr>
<td>Other Impacts</td>
<td>$(0.10)</td>
</tr>
<tr>
<td><strong>2014 Operating EPS</strong></td>
<td><strong>At least $6.25</strong></td>
</tr>
</tbody>
</table>

Aetna projects the floor on our 2014 Operating EPS will be consistent with our final 2013 EPS result.

---

Note: Aetna's 2014 Operating EPS excludes after-tax amortization of transaction intangibles, consistent with the 2013 definition of "Adjusted Operating EPS".
2014 Trend / Yield Spread Dynamics

2011-2013

Primary sources of Underwriting Margin upside versus projections:

• Forward pricing for projected increases in medical cost trend
• Medical cost trends developing lower than projections

2014

Recent sources of Underwriting Margin upside less likely to recur:

• Pricing for ACA fees, taxes and benefit mandates
• Medicare rate pressures
• Extended period of low medical cost trends

Achieving upside to guidance in 2014 could be more difficult than in recent years
## 2013 and 2014 Guidance Summary

<table>
<thead>
<tr>
<th>Operating Metric</th>
<th>2013 Guidance as of December 12, 2013</th>
<th>2014 Guidance as of December 12, 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating EPS(^{(1)})</td>
<td>$5.80 to $5.90</td>
<td>At Least $6.25</td>
</tr>
<tr>
<td>Adjusted Operating EPS(^{(1)})</td>
<td>$6.20 to $6.30</td>
<td>N/A (see Operating EPS)</td>
</tr>
<tr>
<td>Operating Earnings(^{(1)})</td>
<td>~$2.1 billion</td>
<td>Over ~$2.2 billion</td>
</tr>
<tr>
<td>Adjusted Operating Earnings(^{(1)})</td>
<td>~$2.2 billion</td>
<td>N/A (see Operating Earnings)</td>
</tr>
<tr>
<td>Medical Membership</td>
<td>~22.1 million</td>
<td>~22.1M at 1Q 2014</td>
</tr>
<tr>
<td>Operating Revenue(^{(2)})</td>
<td>~$47 billion</td>
<td>~$53 billion</td>
</tr>
<tr>
<td>Medical Benefit Ratios:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td>80% to 81% (low end)</td>
<td>79% to 80%</td>
</tr>
<tr>
<td>Medicare</td>
<td>Mid to High 80%'s</td>
<td>N/A</td>
</tr>
<tr>
<td>Medicaid</td>
<td>High 80%'s</td>
<td>N/A</td>
</tr>
<tr>
<td>Government</td>
<td>N/A</td>
<td>85% to 87%</td>
</tr>
<tr>
<td>Commercial Medical Cost Trend</td>
<td>5.5% to 6.0%</td>
<td>6.0% to 7.0%</td>
</tr>
<tr>
<td>Premium Yield</td>
<td>Pricing to an appropriate margin to reflect underlying medical cost trend</td>
<td>Pricing to an appropriate margin to reflect underlying medical cost trend</td>
</tr>
<tr>
<td>Operating Expense Ratio(^{(3)})</td>
<td>~18.0%</td>
<td>18.5% to 19.0%</td>
</tr>
<tr>
<td>Pre-Tax Operating Margin(^{(4)})</td>
<td>8.0% ± 25bps</td>
<td>Over 7.5%</td>
</tr>
<tr>
<td>Operating Cash Flow</td>
<td>Greater than 2013 operating earnings(^{(1)})</td>
<td>Greater than 2014 operating earnings(^{(1)})</td>
</tr>
<tr>
<td>Net Dividends from Subsidiaries</td>
<td>~$2.65 billion</td>
<td>~$2.0 billion</td>
</tr>
<tr>
<td>Excess Cash Flow to the Parent(^{(5)})</td>
<td>~$1.4 billion</td>
<td>~$1.2 billion</td>
</tr>
<tr>
<td>Weighted-Average Diluted Shares</td>
<td>~359 million</td>
<td>~358 million</td>
</tr>
<tr>
<td>Debt-to-Total Capitalization Ratio</td>
<td>~38%</td>
<td>~36%</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Excluding special items and other items affecting comparability. 

\(^{(2)}\) Excluding Medicare and Medicaid. 

\(^{(3)}\) Includes the impact of certain special items. 

\(^{(4)}\) Excluding special items. 

\(^{(5)}\) Excluding special items related to certain business segment exits and certain special items affecting comparability.
Focus on long-term growth
Aetna expects to continue to exceed its Long-term Operating EPS growth target from 2010 to 2014P.

*Adjusted Operating earnings per share.
Aetna’s Diversified Model Presents Multiple Opportunities to Grow

<table>
<thead>
<tr>
<th></th>
<th>Members</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-insured to Fully-insured</td>
<td>1M</td>
<td>$4B+</td>
</tr>
<tr>
<td>Public Exchanges</td>
<td>1M</td>
<td>$3B+</td>
</tr>
<tr>
<td>Medicare Advantage</td>
<td>500K</td>
<td>$5.5B+</td>
</tr>
<tr>
<td>Dual Eligibles</td>
<td>100K</td>
<td>$3.5B+</td>
</tr>
</tbody>
</table>

Additional Growth Opportunities

Healthagen
Aetna’s Shareholder Value Creation Model

Drive operating earnings

5%+ Growth
- Price to trend in Commercial
- Grow Medicare Advantage
- Dual eligibles
- Retail Marketplaces
- Long-term investments

Deploy capital effectively

5%+ Growth
- Shareholder dividend
- Invest in organic growth
- Disciplined M&A
- Share repurchases

Target low double-digit Operating EPS growth on average over time

Coventry accretion enhances short-term Operating EPS growth
Questions?
Why Aetna

Mark Bertolini
Chairman, CEO & President
Why Invest In Aetna

**Strategy**
Aetna’s differentiated strategy can create competitive advantages and drive profitable growth

**Growth**
Aetna’s well-positioned and diversified portfolio can produce superior results

**Results**
Aetna’s 2010-2014P Operating EPS CAGR of over 13%* is higher than any of its diversified MCO peers

*A Source Thomson Reuters and Company Guidance.
Footnotes

(1) Projected full-year 2013 operating earnings, operating earnings per share, adjusted operating earnings and adjusted operating earnings per share exclude from net income attributable to Aetna net realized capital losses of $8.9 million ($12.2 million pretax), transaction and integration-related costs of $140.6 million ($189.6 million pretax), a gain on the reduction of the reserve for anticipated future losses on discontinued products of $55.9 million ($86.0 million pretax), a benefit related to the settlement of a reinsurance recoverable of $32.1 million ($49.4 million pretax), and $54.1 million of group annuity conversion premium with a corresponding $54.1 million benefit expense on group annuity conversion for a contract that converted from participating to non-participating, each reported by Aetna for the nine months ended September 30, 2013. Projected full-year 2013 adjusted operating earnings and adjusted operating earnings per share also exclude from net income attributable to Aetna amortization of other acquired intangible assets of $97.2 million ($149.5 million pretax) reported by Aetna for the nine months ended September 30, 2013. Projected full-year 2014 operating earnings and operating earnings per share also exclude from net income attributable to Aetna after-tax amortization of other acquired intangible assets. Projected operating earnings, projected adjusted operating earnings, projected operating earnings per share and projected adjusted operating earnings per share in all periods exclude from net income attributable to Aetna any future net realized capital gains or losses and other items, if any, that neither relate to the ordinary course of our business nor reflect our underlying business performance, including projected integration-related costs related to the Coventry Health Care, Inc. ("Coventry") acquisition. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items (other than projected integration-related costs related to the Coventry acquisition) and therefore cannot reconcile projected operating earnings or projected adjusted operating earnings to projected net income attributable to Aetna or projected operating earnings per share or projected adjusted operating earnings per share to projected net income per share attributable to Aetna in any period. Although the excluded items may recur, management believes that operating earnings and operating earnings per share provide a more useful comparison of Aetna's underlying business performance from period to period. Net realized capital gains and losses arise from various types of transactions, primarily in the course of managing a portfolio of assets that support the payment of liabilities. However, these transactions do not directly relate to the underwriting or servicing of products for customers and are not directly related to the core performance of Aetna's business operations. In addition, management uses operating earnings to assess business performance and to make decisions regarding Aetna's operations and allocation of resources among Aetna's businesses. Operating earnings is also the measure reported to the Chief Executive Officer for these purposes. Projected operating earnings per share for the full year 2013 and 2014 reflect approximately 359 million weighted average diluted shares and approximately 358 million weighted average diluted shares, respectively.

Below is a reconciliation of Aetna’s operating earnings per share (6) to net income per share attributable to Aetna for the year ended December 31, 2010:

<table>
<thead>
<tr>
<th>Description</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted operating earnings</td>
<td>$3.82</td>
</tr>
<tr>
<td>Amortization of other acquired intangible assets, net of tax</td>
<td>(.14)</td>
</tr>
<tr>
<td>Operating earnings</td>
<td>3.68</td>
</tr>
<tr>
<td>Transaction-related costs, net of tax</td>
<td>(.10)</td>
</tr>
<tr>
<td>Litigation-related insurance proceeds, net of tax</td>
<td>.24</td>
</tr>
<tr>
<td>Severance and facilities charge, net of tax</td>
<td>(.07)</td>
</tr>
<tr>
<td>Net realized capital gains, net of tax</td>
<td>.43</td>
</tr>
<tr>
<td>Net income (GAAP measure)</td>
<td>$4.18</td>
</tr>
</tbody>
</table>
(2) Projected full-year 2013 operating revenue excludes from total revenue net realized capital losses of $12.2 million pretax, net investment income on the proceeds of Coventry transaction-related debt of $2.5 million pretax, a gain on the settlement of a reinsurance recoverable of $7.2 million pretax and premium from a group annuity contract conversion of $54.1 million, each reported by Aetna for the nine months ended September 30, 2013. Projected operating revenue in all periods also excludes any future net realized capital gains or losses and other items, if any, from total revenue. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items (other than integration-related costs related to the Coventry acquisition) and therefore cannot reconcile projected operating revenue to projected total revenue in any period. Below is a reconciliation of Aetna’s operating revenue to total revenue for the years ended December 31, 2012, 2011 and 2010:

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>2012</th>
<th>2011</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue (excludes net realized capital gains and other items)</td>
<td>$35,544.8</td>
<td>$33,611.9</td>
<td>$34,018.5</td>
</tr>
<tr>
<td>Group annuity contract conversion premium</td>
<td>941.4</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interest income on proceeds of transaction-related debt</td>
<td>1.0</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Net realized capital gains</td>
<td>108.7</td>
<td>167.9</td>
<td>227.5</td>
</tr>
<tr>
<td>Total revenue (GAAP measure)</td>
<td>$36,595.9</td>
<td>$33,779.8</td>
<td>$34,246.0</td>
</tr>
</tbody>
</table>
Footnotes (continued)

(3) The projected operating expense ratio (Projected SG&A Ratio) and the operating expense ratio (SG&A Ratio) are calculated by dividing operating expenses, excluding other items, by operating revenue, as described in [2]. The projected operating expense ratio also excludes projected integration-related costs related to the Coventry acquisition. Aetna is not able to project the amount of future net realized capital gains or losses or any such other items (other than the projected integration-related costs related to the Coventry acquisition) and therefore cannot reconcile the projected operating expense ratio to a comparable GAAP measure. Below is a reconciliation of Aetna’s operating expense ratio to total company expense ratio for the years ended December 31, 2012 and 2011:

<table>
<thead>
<tr>
<th>(Millions)</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating revenue (excludes net realized capital gains and other items)</td>
<td>(A) $35,544.8</td>
<td>$33,611.9</td>
</tr>
<tr>
<td>Group annuity contract conversion premium</td>
<td>941.4</td>
<td>-</td>
</tr>
<tr>
<td>Interest income on proceeds of transaction-related debt</td>
<td>1.0</td>
<td>-</td>
</tr>
<tr>
<td>Net realized capital gains</td>
<td>108.7</td>
<td>167.9</td>
</tr>
<tr>
<td>Total revenue (GAAP measure)</td>
<td>(B) $36,595.9</td>
<td>$33,779.8</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>(C) $6,703.2</td>
<td>$6,667.4</td>
</tr>
<tr>
<td>Litigation-related settlement</td>
<td>120.0</td>
<td>-</td>
</tr>
<tr>
<td>Transaction and integration-related costs</td>
<td>16.2</td>
<td>-</td>
</tr>
<tr>
<td>Severance charge</td>
<td>37.0</td>
<td>-</td>
</tr>
<tr>
<td>Voluntary early retirement program</td>
<td>-</td>
<td>137.0</td>
</tr>
<tr>
<td>Total operating expenses (GAAP measure)</td>
<td>(D) $6,876.4</td>
<td>$6,804.4</td>
</tr>
</tbody>
</table>

Operating Expense Ratios:

<table>
<thead>
<tr>
<th></th>
<th>2012 (%)</th>
<th>2011 (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating expense ratio</td>
<td>(C)/(A) 18.9%</td>
<td>19.8%</td>
</tr>
<tr>
<td>Total company expense ratio (GAAP measure)</td>
<td>(D)/(B) 18.8%</td>
<td>20.1%</td>
</tr>
</tbody>
</table>

(4) In order to provide useful information regarding Aetna’s profitability on a basis comparable to others in the industry, without regard to financing decisions, income taxes or amortization of other acquired intangible assets (each of which may vary for reasons not directly related to the performance of the underlying business), Aetna’s projected pretax operating margin is based on projected operating earnings excluding interest expense, income taxes and amortization of other acquired intangible assets. Management also uses pretax operating margin to assess Aetna’s performance, including performance versus competitors.

(5) Excess cash flow available to the parent after payment of estimated fixed charges, shareholder dividends, issuance and/or maturity of debt, and inclusive of estimated available cash from employee stock programs.
Footnotes (continued)

(6) In addition to net realized capital gains (losses) in all periods and amortization of other acquired intangible assets in 2014, the following other items are excluded from operating earnings and/or operating revenue and projected operating earnings and/or projected operating revenue because management believes they neither relate to the ordinary course of our business nor reflect our underlying business performance:

• We incurred transaction and integration-related costs of $140.6 million ($189.6 million pretax) and $25.4 million ($32.6 million pretax) during the nine months ended September 30, 2013 and the year ended December 31, 2012, respectively, related to the acquisition of Coventry. Transaction costs include advisory, legal and other professional fees which are not deductible for tax purposes and are reflected in the GAAP Consolidated Statements of Income in general and administrative expenses, as well as the cost of the bridge credit agreement that was in effect prior to the Coventry acquisition, which is reflected in the GAAP Consolidated Statements of Income in interest expense. Transaction costs also include transaction-related payments as well as expenses related to the negative cost of carry associated with the permanent financing that we obtained in November 2012 for the Coventry acquisition. Prior to May 7, 2013, the negative cost of carry associated with permanent financing was excluded from operating earnings and operating earnings per share. The components of the negative cost of carry are reflected in our GAAP Consolidated Statements of Income in interest expense, net investment income, and general and administrative expenses. On and after the Acquisition Date, the interest expense and general and administrative expenses associated with the permanent financing are no longer excluded from operating earnings and operating earnings per share.

• In the third quarter of 2013 and fourth quarter of 2012, a group annuity contract was converted from participating to non-participating. We recorded $54.1 million and $941.4 of group annuity conversion premium during the nine months ended September 30, 2013 and the year ended December 31, 2012, respectively, and a corresponding $54.1 million and $941.4 million of benefit expense during the nine months ended September 30, 2013 and the year ended December 31, 2012, respectively, for these contracts. Group annuity contract conversions are excluded from both operating revenue and current and future benefits as an other item.

• In the fourth quarter of 2012, we recorded a charge of $78.0 million ($120.0 million pretax) related to the settlement of purported class action litigation regarding Aetna's payment practices related to out-of-network health care providers.

• In the fourth quarter of 2012, we recorded a severance charge of $24.1 million ($37.0 million pretax) related to actions taken in 2012 and 2013.

• In July 2011, we announced a voluntary early retirement program. In connection with the voluntary early retirement program, we recorded a charge of $89.1 million ($137.0 million pretax) during the third quarter of 2011.

• In 2010, we recorded transaction-related costs of $43.1 million ($66.2 million pretax). These costs related to our Pharmacy Benefit Management Subcontract Agreement with CVS Caremark Corporation and the announced acquisition of Medicity.

• In 2010, we recorded severance and facilities charges of $30.8 million ($47.4 million pretax) related to actions taken in 2010 and 2011.

• Following a Pennsylvania Supreme Court ruling in June 2009, we recorded litigation-related insurance proceeds of $101.5 million ($156.3 million pretax) for the year ended December 31, 2010, from our liability insurers related to certain litigation we settled in 2003.