

Consolidated Statements of Income
(\$ in Millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005 (1)	September 30, 2006	September 30, 2005 (1)
Revenue:				
Health care premiums	\$ 4,820.3	\$ 4,291.3	\$ 14,308.3	\$ 12,490.5
Other premiums	472.5	494.2	1,482.5	1,494.4
Fees and other revenue	712.9	626.8	2,121.4	1,793.3
Net investment income	278.3	279.9	852.1	827.7
Net realized capital gains	15.5	8.5	21.9	18.6
Total revenue	<u>6,299.5</u>	<u>5,700.7</u>	<u>18,786.2</u>	<u>16,624.5</u>
Benefits and expenses:				
Health care costs (2)	3,797.4	3,390.4	11,481.9	9,683.6
Current and future benefits	554.1	581.8	1,733.6	1,778.4
Operating expenses:				
Selling expenses	231.7	214.1	715.3	623.0
General and administrative expenses (3)	925.6	885.1	2,876.3	2,673.5
Total operating expenses	<u>1,157.3</u>	<u>1,099.2</u>	<u>3,591.6</u>	<u>3,296.5</u>
Interest expense	39.9	32.5	107.2	90.2
Amortization of other acquired intangible assets	22.0	15.9	63.7	38.1
Reduction of reserve for anticipated future losses on discontinued products	-	-	(115.4)	(66.7)
Total benefits and expenses	<u>5,570.7</u>	<u>5,119.8</u>	<u>16,862.6</u>	<u>14,820.1</u>
Income from continuing operations before income taxes	728.8	580.9	1,923.6	1,804.4
Income taxes	252.4	208.1	672.1	647.4
Income from continuing operations	<u>476.4</u>	<u>372.8</u>	<u>1,251.5</u>	<u>1,157.0</u>
Income from discontinued operations, net of tax (4)	-	-	16.1	-
Net income	<u>\$ 476.4</u>	<u>\$ 372.8</u>	<u>\$ 1,267.6</u>	<u>\$ 1,157.0</u>
Shareholders' equity			<u>\$ 9,650.1</u>	<u>\$ 9,404.9</u>

- (1) Effective January 1, 2006, the Company adopted FAS 123R applying the modified retrospective approach. Accordingly, all prior-period financial information was adjusted to reflect the Company's stock-based compensation activity.
- (2) Health care costs for the three months ended September 30, 2006 and September 30, 2005 include favorable development of prior-period health care cost estimates of approximately \$45 million pretax (approximately \$29 million after tax) and approximately \$24 million pretax (approximately \$15 million after tax), respectively, in the Health Care segment.
- (3) General and administrative expenses for the nine months ended September 30, 2006 include a charge of \$72.4 million (\$47.1 million after tax) in connection with the write-off of an insurance recoverable related to a prior-year physician class action settlement as a result of a trial court summary judgment ruling and a \$12.4 million (\$8.1 million after tax) net charge from the write-off of debt issuance costs and the recognition of deferred gains on terminated interest rate swaps in connection with the redemption of the Company's 8.5% senior notes due 2041. Both of these charges are reflected in the Health Care segment. The nine months ended September 30, 2006 also include a charge of \$8.3 million (\$6.2 million after tax) for an acquisition-related software charge reflected in the Group Insurance segment.
- (4) Income from discontinued operations of approximately \$16 million for the nine months ended September 30, 2006 reflects the Company's receipt in February 2006 of a \$50 million refund, including interest, from the completion of certain Internal Revenue Service audits associated with businesses previously sold by the Company's former parent company. The Company previously recorded \$735 million of this refund. The \$50 million refund resulted in an additional \$16 million in income from discontinued operations.

Summary of Results

(in Millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005 (1)	September 30, 2006	September 30, 2005 (1)
Operating earnings, excluding favorable development	\$ 437.3	\$ 352.3		
Favorable development of prior-period health care cost estimates	29.0	15.0		
Operating earnings	466.3	367.3	\$ 1,223.7	\$ 1,101.5
Debt refinancing charge	-	-	(8.1)	-
Physician class action settlement insurance-related charge	-	-	(47.1)	-
Reduction of reserve for anticipated future losses on discontinued products	-	-	75.0	43.4
Acquisition-related software charge	-	-	(6.2)	-
Net realized capital gains	10.1	5.5	14.2	12.1
Income from continuing operations (GAAP measure)	476.4	372.8	1,251.5	1,157.0
Income from discontinued operations (2)	-	-	16.1	-
Net income (GAAP measure)	<u>\$ 476.4</u>	<u>\$ 372.8</u>	<u>\$ 1,267.6</u>	<u>\$ 1,157.0</u>
Weighted average common shares - basic	<u>536.6</u>	<u>577.4</u>	<u>554.8</u>	<u>581.8</u>
Weighted average common shares - diluted	<u>558.1</u>	<u>602.6</u>	<u>578.3</u>	<u>606.0</u>

Summary of Results Per Common Share

Operating earnings, excluding favorable development	\$.78	\$.58		
Favorable development of prior-period health care cost estimates	.06	.03		
Operating earnings	.84	.61	\$ 2.12	\$ 1.82
Debt refinancing charge	-	-	(.02)	-
Physician class action settlement insurance-related charge	-	-	(.08)	-
Reduction of reserve for anticipated future losses on discontinued products	-	-	.13	.07
Acquisition-related software charge	-	-	(.01)	-
Net realized capital gains	.01	.01	.02	.02
Income from continuing operations (GAAP measure)	.85	.62	2.16	1.91
Income from discontinued operations (2)	-	-	.03	-
Net income (GAAP measure)	<u>\$.85</u>	<u>\$.62</u>	<u>\$ 2.19</u>	<u>\$ 1.91</u>
Shareholders' equity (3)			<u>\$ 18.49</u>	<u>\$ 16.44</u>

- (1) Effective January 1, 2006, the Company adopted FAS 123R applying the modified retrospective approach. Accordingly, all prior-period financial information was adjusted to reflect the Company's stock-based compensation activity. Additionally, results per common share and weighted average common shares have been adjusted to reflect the February 17, 2006 two-for-one stock split.
- (2) Income from discontinued operations of approximately \$16 million for the nine months ended September 30, 2006 reflects the Company's receipt in February 2006 of a \$50 million refund, including interest, from the completion of certain Internal Revenue Service audits associated with businesses previously sold by the Company's former parent company. The Company previously recorded \$735 million of this refund. The \$50 million refund resulted in an additional \$16 million in income from discontinued operations.
- (3) Actual common shares outstanding were 522.0 million at September 30, 2006 and 572.0 million at September 30, 2005.

Segment Information (1)
(\$ in Millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005 (2)	September 30, 2006	September 30, 2005 (2)
Health Care:				
Total revenue	\$ 5,591.6	\$ 4,986.1	\$ 16,612.6	\$ 14,476.9
Selling expenses	\$ 212.0	\$ 193.5	\$ 651.2	\$ 562.5
General and administrative expenses	862.6	838.3	2,610.1	2,534.5
Operating expenses, excluding other items	1,074.6	1,031.8	3,261.3	3,097.0
Debt refinancing charge	-	-	12.4	-
Physician class action settlement insurance-related charge	-	-	72.4	-
Total operating expenses	\$ 1,074.6	\$ 1,031.8	\$ 3,346.1	\$ 3,097.0
Operating earnings, excluding favorable development	\$ 418.0	\$ 331.5		
Favorable development of prior-period health care cost estimates	29.0	15.0		
Operating earnings	447.0	346.5	\$ 1,160.5	\$ 1,046.2
Debt refinancing charge	-	-	(8.1)	-
Physician class action settlement insurance-related charge	-	-	(47.1)	-
Net realized capital gains	2.3	1.2	1.5	5.0
Net income (GAAP measure)	\$ 449.3	\$ 347.7	\$ 1,106.8	\$ 1,051.2
Group Insurance:				
Total revenue	\$ 526.8	\$ 529.8	\$ 1,615.1	\$ 1,587.3
Selling expenses	\$ 19.7	\$ 20.6	\$ 64.1	\$ 60.5
General and administrative expenses	59.6	41.7	160.5	125.7
Operating expenses, excluding other item	79.3	62.3	224.6	186.2
Acquisition-related software charge	-	-	8.3	-
Total operating expenses (GAAP measure)	\$ 79.3	\$ 62.3	\$ 232.9	\$ 186.2
Operating earnings	\$ 34.6	\$ 32.3	\$ 102.8	\$ 92.7
Acquisition-related software charge	-	-	(6.2)	-
Net realized capital gains	5.1	3.3	2.7	6.6
Net income (GAAP measure)	\$ 39.7	\$ 35.6	\$ 99.3	\$ 99.3
Large Case Pensions:				
Total revenue	\$ 181.1	\$ 184.8	\$ 558.5	\$ 560.3
Operating earnings	\$ 10.6	\$ 9.6	\$ 30.0	\$ 21.2
Reduction of reserve for anticipated future losses on discontinued products	-	-	75.0	43.4
Net realized capital gains	2.7	1.0	10.0	.5
Net income (GAAP measure)	\$ 13.3	\$ 10.6	\$ 115.0	\$ 65.1
Corporate Interest:				
Interest expense, net of tax	\$ 25.9	\$ 21.1	\$ 69.6	\$ 58.6
Total Company:				
Total revenue	\$ 6,299.5	\$ 5,700.7	\$ 18,786.2	\$ 16,624.5
Selling expenses	\$ 231.7	\$ 214.1	\$ 715.3	\$ 623.0
General and administrative expenses	925.6	885.1	2,783.2	2,673.5
Operating expenses, excluding other items	1,157.3	1,099.2	3,498.5	3,296.5
Debt refinancing charge	-	-	12.4	-
Physician class action settlement insurance-related charge	-	-	72.4	-
Acquisition-related software charge	-	-	8.3	-
Total operating expenses (GAAP measure)	\$ 1,157.3	\$ 1,099.2	\$ 3,591.6	\$ 3,296.5

(1) Revenue and operating expense information is presented before income taxes. Operating earnings information is presented net of income taxes.

(2) Effective January 1, 2006, the Company adopted FAS 123R applying the modified retrospective approach. Accordingly, all prior-period financial information was adjusted to reflect the Company's stock-based compensation activity.

Enrollment
(Members in Thousands)

	September 30, 2006	September 30, 2005	December 31, 2005	June 30, 2006
Medical Membership:				
Commercial	15,122	14,415	14,521	15,157
Medicare Advantage	124	102	101	123
Medicare Health Support Program	18	20	19	14
Medicaid	119	113	114	113
Total Medical Membership	<u>15,383</u>	<u>14,650</u>	<u>14,755</u>	<u>15,407</u>
Consumer-Directed Health Plans (1)	<u>644</u>	<u>433</u>	<u>453</u>	<u>621</u>
Dental Membership	<u>13,396</u>	<u>13,031</u>	<u>13,098</u>	<u>13,374</u>
Pharmacy Membership:				
Commercial	9,138	8,791	8,885	9,141
Medicare PDP (stand-alone)	319	-	-	323
Medicare Advantage PDP	115	-	-	114
Total Pharmacy Benefit Management Services	9,572	8,791	8,885	9,578
Mail Order (2)	630	546	560	635
Total Pharmacy Membership	<u>10,202</u>	<u>9,337</u>	<u>9,445</u>	<u>10,213</u>
Group Insurance Membership (3)	<u>15,309</u>	<u>13,675</u>	<u>13,618</u>	<u>15,265</u>

Health Care Medical Cost Ratios (4)
(\$ in Millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005	September 30, 2006	September 30, 2005
Health Care Premiums:				
Health Care Risk (A)	\$ 4,820.3	\$ 4,291.3	\$ 14,308.3	\$ 12,490.5
Commercial Risk (B)	\$ 4,350.2	\$ 4,039.3	\$ 12,972.6	\$ 11,742.0
Medicare (C)	\$ 469.0	\$ 252.0	\$ 1,334.6	\$ 748.5
Health Care Costs:				
<u>Health Care Risk</u>				
Health care costs (D) (GAAP measure)	\$ 3,797.4	\$ 3,390.4	\$ 11,481.9	\$ 9,683.6
Favorable development of prior-period health care cost estimates	45.0	24.0		
Health care costs - Adjusted (E)	<u>\$ 3,842.4</u>	<u>\$ 3,414.4</u>		
<u>Commercial Risk</u>				
Health care costs (F) (GAAP measure)	\$ 3,417.7	\$ 3,174.9	\$ 10,337.2	\$ 9,035.3
Favorable development of prior-period health care cost estimates	33.0	15.0		
Health care costs - Adjusted (G)	<u>\$ 3,450.7</u>	<u>\$ 3,189.9</u>		
<u>Medicare</u>				
Health care costs (H) (GAAP measure)	\$ 378.4	\$ 215.5	\$ 1,143.7	\$ 648.4
Favorable development of prior-period health care cost estimates	12.0	9.0		
Health care costs - Adjusted (I)	<u>\$ 390.4</u>	<u>\$ 224.5</u>		
Health Care Medical Cost Ratios:				
Health Care Risk (D)/(A) (GAAP measure)	78.8%	79.0%	80.2%	77.5%
Health Care Risk - Adjusted (E)/(A)	79.7%	79.6%		
Commercial Risk (F)/(B) (GAAP measure)	78.6%	78.6%	79.7%	76.9%
Commercial Risk - Adjusted (G)/(B)	79.3%	79.0%		
Medicare (H)/(C) (GAAP measure)	80.7%	85.5%	85.7%	86.6%
Medicare - Adjusted (I)/(C)	83.2%	89.1%		

(1) Represents members in consumer-directed health plans included in the Company's Commercial medical membership.

(2) Represents members who purchased medications through the Company's mail order pharmacy during the quarterly period.

(3) Beginning June 30, 2006 includes approximately 2.1 million disability members acquired from Broadspire on March 31, 2006.

(4) Health Care Risk includes all medical, dental and other health care risk products. Commercial Risk includes all health care risk products except Medicare and Medicaid. Risk includes all medical, dental and other health care products for which the Company assumes all or a majority of health care cost, utilization or other risk.

Operating Margins

(\$ in Millions)

	Three Months Ended		Nine Months Ended	
	September 30, 2006	September 30, 2005 (1)	September 30, 2006	September 30, 2005 (1)
Reconciliation to Income from continuing operations before income taxes:				
Operating earnings before income taxes, excluding interest expense, amortization of other acquired intangible assets and favorable development (A)	\$ 730.2	\$ 596.8		
Favorable development of prior-period health care cost estimates	45.0	24.0		
Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets (B)	775.2	620.8	\$ 2,050.3	\$ 1,847.4
Interest expense	(39.9)	(32.5)	(107.2)	(90.2)
Amortization of other acquired intangible assets	(22.0)	(15.9)	(63.7)	(38.1)
Debt refinancing charge	-	-	(12.4)	-
Physician class action settlement insurance-related charge	-	-	(72.4)	-
Reduction of reserve for anticipated future losses on discontinued products	-	-	115.4	66.7
Acquisition-related software charge	-	-	(8.3)	-
Net realized capital gains	15.5	8.5	21.9	18.6
Income from continuing operations before income taxes (C) (GAAP measure)	<u>\$ 728.8</u>	<u>\$ 580.9</u>	<u>\$ 1,923.6</u>	<u>\$ 1,804.4</u>
Reconciliation to Income from continuing operations:				
Operating earnings, excluding interest expense, amortization of other acquired intangible assets and favorable development (D)	\$ 477.5	\$ 383.7		
Favorable development of prior-period health care cost estimates, net of tax	29.0	15.0		
Operating earnings, excluding interest expense and amortization of other acquired intangible assets (E)	506.5	398.7	\$ 1,334.7	\$ 1,184.9
Interest expense, net of tax	(25.9)	(21.1)	(69.6)	(58.6)
Amortization of other acquired intangible assets, net of tax	(14.3)	(10.3)	(41.4)	(24.8)
Debt refinancing charge, net of tax	-	-	(8.1)	-
Physician class action settlement insurance-related charge, net of tax	-	-	(47.1)	-
Reduction of reserve for anticipated future losses on discontinued products, net of tax	-	-	75.0	43.4
Acquisition-related software charge, net of tax	-	-	(6.2)	-
Net realized capital gains, net of tax	10.1	5.5	14.2	12.1
Income from continuing operations (F) (GAAP measure)	<u>\$ 476.4</u>	<u>\$ 372.8</u>	<u>\$ 1,251.5</u>	<u>\$ 1,157.0</u>
Reconciliation of Revenue:				
Revenue, excluding net realized capital gains (G)	\$ 6,284.0	\$ 5,692.2	\$ 18,764.3	\$ 16,605.9
Net realized capital gains	15.5	8.5	21.9	18.6
Total revenue (H) (GAAP measure)	<u>\$ 6,299.5</u>	<u>\$ 5,700.7</u>	<u>\$ 18,786.2</u>	<u>\$ 16,624.5</u>
Operating Margins:				
Pretax operating margin (B)/(G)	12.3%	10.9%	10.9%	11.1%
Pretax operating margin - Adjusted (A)/(G)	11.6%	10.5%		
Pretax operating margin (C)/(H) (GAAP measure)	11.6%	10.2%	10.2%	10.9%
After-tax operating margin (E)/(G)	8.1%	7.0%	7.1%	7.1%
After-tax operating margin - Adjusted (D)/(G)	7.6%	6.7%		
After-tax operating margin (F)/(H) (GAAP measure)	7.6%	6.5%	6.7%	7.0%

Operating Expenses

(\$ in Millions)

Reconciliation of Operating Expenses:				
Operating expenses, excluding other items (I)	\$ 1,157.3	\$ 1,099.2	\$ 3,498.5	\$ 3,296.5
Debt refinancing charge	-	-	12.4	-
Physician class action settlement insurance-related charge	-	-	72.4	-
Acquisition-related software charge	-	-	8.3	-
Total operating expenses (J) (GAAP measure)	<u>\$ 1,157.3</u>	<u>\$ 1,099.2</u>	<u>\$ 3,591.6</u>	<u>\$ 3,296.5</u>
Operating Expenses Percentages:				
Operating expenses as a % of revenue (I)/(G)	18.4%	19.3%	18.6%	19.9%
Total operating expenses as a % of total revenue (J)/(H) (GAAP measure)	18.4%	19.3%	19.1%	19.8%

(1) Effective January 1, 2006, the Company adopted FAS 123R applying the modified retrospective approach. Accordingly, all prior-period financial information was adjusted to reflect the Company's stock-based compensation activity.