

Financial Supplement

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To provide additional transparency into the underlying performance of our business, we have referenced a Business Segment view of our operating performance, consisting of Health Care, Group Insurance and Large Case Pensions segment results. Our Corporate Financing segment includes interest on our outstanding debt and the financing components of our pension and other postretirement benefit plan expense (herein referred to as "pension expense") (the service cost component of this expense is allocated to our Business Segments).

This document is supplemental to our second quarter 2009 earnings press release issued on July 27, 2009 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended June 30, 2009 to be filed with the U.S. Securities and Exchange Commission. Please direct questions with respect to this material to Jeffrey Chaffkin, Vice President, Investor Relations at 860-273-7830 or chaffkinj@aetna.com.

Financial Highlights

| (Millions, except per common share data) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|-----------------------------|-------------------|------------------|---------------------------|--------------------|------------------|
| | 2009 | 2008 | Change | 2009 | 2008 | Change |
| <u>Operating Earnings</u> ⁽¹⁾ | | | | | | |
| Business Segments: | | | | | | |
| Health Care | \$ 336.0 | \$ 430.9 | (22.0) % | \$ 805.4 | \$ 869.5 | (7.4) % |
| Group Insurance | 42.5 | 38.5 | 10.4 % | 84.6 | 72.7 | 16.4 % |
| Large Case Pensions | 7.7 | 9.7 | (20.6) % | 16.9 | 18.0 | (6.1) % |
| Total - Business Segments | 386.2 | 479.1 | (19.4) % | 906.9 | 960.2 | (5.6) % |
| Corporate Financing | (77.7) | (12.8) | (507.0) % | (155.8) | (24.3) | (541.2) % |
| Aetna Inc. | \$ 308.5 | \$ 466.3 | (33.8) % | \$ 751.1 | \$ 935.9 | (19.7) % |
| | | | | | | |
| Aetna Inc. per common share | \$.68 | \$.94 | (27.7) % | \$ 1.65 | \$ 1.86 | (11.3) % |
| | | | | | | |
| <u>Net Income</u> | | | | | | |
| Aetna Inc. | \$ 346.6 | \$ 480.5 | (27.9) % | \$ 784.4 | \$ 912.1 | (14.0) % |
| Aetna Inc. per common share | \$.77 | \$.97 | (20.6) % | \$ 1.72 | \$ 1.82 | (5.5) % |
| | | | | | | |
| Weighted average common shares - diluted | 450.7 | 495.8 | (9.1) % | 456.1 | 502.4 | (9.2) % |
| | | | | | | |
| <u>Operating Margin</u> | | | | | | |
| Business Segments - pretax operating margin ⁽¹⁾ | 7.0 % | 9.7 % | (2.7) pts. | 8.3 % | 9.8 % | (1.5) pts. |
| Total Company - pretax operating margin ⁽¹⁾ | 6.3 % | 10.2 % | (3.9) pts. | 7.6 % | 10.2 % | (2.6) pts. |
| Total Company - after-tax net income margin | 4.0 % | 6.1 % | (2.1) pts. | 4.5 % | 5.9 % | (1.4) pts. |
| | | | | | | |
| <u>Revenue by Segment</u> ⁽¹⁾ | | | | | | |
| Health Care | \$ 7,987.9 | \$ 7,185.7 | 11.2 % | \$ 15,940.2 | \$ 14,323.2 | 11.3 % |
| Group Insurance | 535.7 | 503.8 | 6.3 % | 1,062.9 | 1,016.3 | 4.6 % |
| Large Case Pensions | 134.0 | 160.7 | (16.6) % | 274.0 | 307.9 | (11.0) % |
| Total Revenue | \$ 8,657.6 | \$ 7,850.2 | 10.3 % | \$ 17,277.1 | \$ 15,647.4 | 10.4 % |
| | | | | | | |
| Operating Expense Ratio ⁽¹⁾ | 17.4 % | 17.8 % | (.4) pts. | 17.7 % | 17.9 % | (.2) pts. |

Refer to page 14 for an explanation of footnotes and definitions of terms used

Health Care and Group Insurance Statistics

| (Millions) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|-------------------------------|-----------------------------|------------|----------|---------------------------|-------------|-----------|
| | 2009 | 2008 | Change | 2009 | 2008 | Change |
| Health Care | | | | | | |
| Premiums | | | | | | |
| Commercial | \$ 5,370.0 | \$ 4,954.4 | 8.4 % | \$ 10,692.0 | \$ 9,837.8 | 8.7 % |
| Medicare | 1,417.9 | 1,194.3 | 18.7 % | 2,879.0 | 2,421.8 | 18.9 % |
| Medicaid | 242.6 | 140.2 | 73.0 % | 451.7 | 282.8 | 59.7 % |
| Health Care | \$ 7,030.5 | \$ 6,288.9 | 11.8 % | \$ 14,022.7 | \$ 12,542.4 | 11.8 % |
| Health Care Costs | | | | | | |
| Commercial | \$ 4,611.0 | \$ 3,990.1 | 15.6 % | \$ 8,957.3 | \$ 7,887.9 | 13.6 % |
| Medicare | 1,267.7 | 1,037.3 | 22.2 % | 2,536.0 | 2,093.4 | 21.1 % |
| Medicaid | 223.7 | 125.9 | 77.7 % | 413.3 | 258.2 | 60.1 % |
| Health Care | \$ 6,102.4 | \$ 5,153.3 | 18.4 % | \$ 11,906.6 | \$ 10,239.5 | 16.3 % |
| Medical Benefit Ratios | | | | | | |
| Commercial | 85.9 % | 80.5 % | 5.4 pts. | 83.8 % | 80.2 % | 3.6 pts. |
| Medicare | 89.4 % | 86.9 % | 2.5 pts. | 88.1 % | 86.4 % | 1.7 pts. |
| Medicaid | 92.2 % | 89.8 % | 2.4 pts. | 91.5 % | 91.3 % | .2 pts. |
| Health Care | 86.8 % | 81.9 % | 4.9 pts. | 84.9 % | 81.6 % | 3.3 pts. |
| Group Insurance | | | | | | |
| Benefit ratio | 87.0 % | 85.9 % | 1.1 pts. | 86.6 % | 87.4 % | (.8) pts. |

| | June 30, 2009 | March 31, 2009 | December 31, 2008 | September 30, 2008 | June 30, 2008 |
|----------------------------|------------------|-------------------|----------------------|-----------------------|------------------|
| Days Claims Payable | 41.2 | 41.6 | 41.3 | 42.9 | 43.9 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Health Care Membership

| (Thousands) | June 30, 2009 | | | March 31, 2009 | | | December 31, 2008 | | | June 30, 2008 | | |
|---|---------------|--------|--------|----------------|--------|--------|-------------------|--------|--------|---------------|--------|--------|
| | Insured | ASC | Total | Insured | ASC | Total | Insured | ASC | Total | Insured | ASC | Total |
| Products | | | | | | | | | | | | |
| Medical: | | | | | | | | | | | | |
| Commercial | 5,692 | 11,960 | 17,652 | 5,656 | 12,060 | 17,716 | 5,595 | 10,893 | 16,488 | 5,431 | 10,860 | 16,291 |
| Medicare | 423 | - | 423 | 419 | - | 419 | 366 | - | 366 | 360 | 13 | 373 |
| Medicaid | 291 | 686 | 977 | 284 | 647 | 931 | 207 | 640 | 847 | 178 | 657 | 835 |
| Total Medical | 6,406 | 12,646 | 19,052 | 6,359 | 12,707 | 19,066 | 6,168 | 11,533 | 17,701 | 5,969 | 11,530 | 17,499 |
| Consumer-Directed Health Plans ⁽²⁾ | | | 1,827 | | | 1,795 | | | 1,431 | | | 1,388 |
| Dental: | | | | | | | | | | | | |
| Commercial | 5,262 | 7,509 | 12,771 | 5,214 | 7,640 | 12,854 | 5,012 | 7,494 | 12,506 | 5,007 | 7,539 | 12,546 |
| Medicare & Medicaid | 249 | 404 | 653 | 245 | 381 | 626 | 229 | 374 | 603 | 222 | 393 | 615 |
| Network Access ⁽³⁾ | - | 1,145 | 1,145 | - | 1,056 | 1,056 | - | 1,015 | 1,015 | - | 945 | 945 |
| Total Dental | 5,511 | 9,058 | 14,569 | 5,459 | 9,077 | 14,536 | 5,241 | 8,883 | 14,124 | 5,229 | 8,877 | 14,106 |
| Pharmacy: | | | | | | | | | | | | |
| Commercial | | | 9,969 | | | 9,997 | | | 9,846 | | | 9,736 |
| Medicare PDP (stand-alone) | | | 328 | | | 322 | | | 375 | | | 368 |
| Medicare Advantage PDP | | | 227 | | | 223 | | | 195 | | | 189 |
| Medicaid | | | 27 | | | 26 | | | 25 | | | 23 |
| Total Pharmacy Benefit Management Services | | | 10,551 | | | 10,568 | | | 10,441 | | | 10,316 |
| Mail Order ⁽⁴⁾ | | | 683 | | | 672 | | | 657 | | | 652 |
| Total Pharmacy | | | 11,234 | | | 11,240 | | | 11,098 | | | 10,968 |
| Regions | | | | | | | | | | | | |
| Northeast | 1,239 | 1,660 | 2,899 | 1,238 | 1,667 | 2,905 | 1,138 | 1,533 | 2,671 | 1,121 | 1,527 | 2,648 |
| Mid-Atlantic | 1,088 | 1,894 | 2,982 | 1,076 | 1,894 | 2,970 | 1,062 | 1,776 | 2,838 | 1,080 | 1,767 | 2,847 |
| Southeast | 980 | 2,025 | 3,005 | 978 | 2,065 | 3,043 | 969 | 1,814 | 2,783 | 953 | 1,810 | 2,763 |
| North Central | 895 | 2,494 | 3,389 | 893 | 2,492 | 3,385 | 877 | 2,227 | 3,104 | 882 | 2,229 | 3,111 |
| Southwest | 675 | 2,306 | 2,981 | 675 | 2,328 | 3,003 | 683 | 2,058 | 2,741 | 673 | 2,049 | 2,722 |
| West | 1,266 | 2,142 | 3,408 | 1,231 | 2,134 | 3,365 | 1,181 | 1,990 | 3,171 | 1,045 | 2,006 | 3,051 |
| Other | 263 | 125 | 388 | 268 | 127 | 395 | 258 | 135 | 393 | 215 | 142 | 357 |
| Total Medical | 6,406 | 12,646 | 19,052 | 6,359 | 12,707 | 19,066 | 6,168 | 11,533 | 17,701 | 5,969 | 11,530 | 17,499 |
| Percent of Total | 33.6% | 66.4% | 100.0% | 33.4% | 66.6% | 100.0% | 34.8% | 65.2% | 100.0% | 34.1% | 65.9% | 100.0% |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Statements of Net Income (Loss) by Segment

| (Millions) | Health Care | Group Insurance | Large Case Pensions | Total Business Segments | Corporate Financing | Consolidated |
|--|----------------|--------------------|------------------------|----------------------------|------------------------|--------------|
| Three Months Ended June 30, 2009 | | | | | | |
| Revenue: | | | | | | |
| Premiums | \$ 7,030.5 | \$ 438.5 | \$ 37.4 | \$ 7,506.4 | \$ - | \$ 7,506.4 |
| Fees and other revenue | 861.8 | 27.8 | 2.8 | 892.4 | - | 892.4 |
| Net investment income | 95.6 | 69.4 | 93.8 | 258.8 | - | 258.8 |
| Total revenue, excluding net realized capital gains ⁽¹⁾ | 7,987.9 | 535.7 | 134.0 | 8,657.6 | - | 8,657.6 |
| Benefits and expenses: | | | | | | |
| Health care costs | 6,102.4 | - | - | 6,102.4 | - | 6,102.4 |
| Current and future benefits | - | 381.6 | 122.2 | 503.8 | - | 503.8 |
| Operating expenses: | | | | | | |
| Selling expenses | 280.3 | 23.5 | - | 303.8 | - | 303.8 |
| General and administrative expenses | 1,065.9 | 71.5 | 2.3 | 1,139.7 | 58.7 ⁽⁵⁾ | 1,198.4 |
| Total operating expenses | 1,346.2 | 95.0 | 2.3 | 1,443.5 | 58.7 | 1,502.2 |
| Interest expense | - | - | - | - | 60.7 | 60.7 |
| Amortization of other acquired intangible assets | 22.8 | 1.7 | - | 24.5 | - | 24.5 |
| Total benefits and expenses | 7,471.4 | 478.3 | 124.5 | 8,074.2 | 119.4 | 8,193.6 |
| Operating earnings (loss), excluding income taxes | 516.5 | 57.4 | 9.5 | 583.4 | (119.4) | 464.0 |
| Income taxes | 180.5 | 14.9 | 1.8 | 197.2 | (41.7) | 155.5 |
| Operating earnings (loss) | 336.0 | 42.5 | 7.7 | 386.2 | (77.7) | 308.5 |
| Litigation-related insurance proceeds, net of tax ⁽⁶⁾ | 24.9 | - | - | 24.9 | - | 24.9 |
| Net realized capital gains, net of tax | 1.9 | 9.5 | 1.8 | 13.2 | - | 13.2 |
| Net income (loss) | \$ 362.8 | \$ 52.0 | \$ 9.5 | \$ 424.3 | \$ (77.7) | \$ 346.6 |
| Three Months Ended June 30, 2008 | | | | | | |
| Revenue: | | | | | | |
| Premiums | \$ 6,288.9 | \$ 414.4 | \$ 58.9 | \$ 6,762.2 | \$ - | \$ 6,762.2 |
| Fees and other revenue | 802.4 | 23.9 | 3.0 | 829.3 | - | 829.3 |
| Net investment income | 94.4 | 65.5 | 98.8 | 258.7 | - | 258.7 |
| Total revenue, excluding net realized capital losses ⁽¹⁾ | 7,185.7 | 503.8 | 160.7 | 7,850.2 | - | 7,850.2 |
| Benefits and expenses: | | | | | | |
| Health care costs | 5,153.3 | - | - | 5,153.3 | - | 5,153.3 |
| Current and future benefits | - | 356.0 | 144.8 | 500.8 | - | 500.8 |
| Operating expenses: | | | | | | |
| Selling expenses | 251.3 | 24.3 | - | 275.6 | - | 275.6 |
| General and administrative expenses | 1,087.8 | 67.6 | 3.8 | 1,159.2 | (36.8) ⁽⁵⁾ | 1,122.4 |
| Total operating expenses | 1,339.1 | 91.9 | 3.8 | 1,434.8 | (36.8) | 1,398.0 |
| Interest expense | - | - | - | - | 56.6 | 56.6 |
| Amortization of other acquired intangible assets | 25.5 | 1.8 | - | 27.3 | - | 27.3 |
| Total benefits and expenses | 6,517.9 | 449.7 | 148.6 | 7,116.2 | 19.8 | 7,136.0 |
| Operating earnings (loss), excluding income taxes | 667.8 | 54.1 | 12.1 | 734.0 | (19.8) | 714.2 |
| Income taxes | 236.9 | 15.6 | 2.4 | 254.9 | (7.0) | 247.9 |
| Operating earnings (loss) | 430.9 | 38.5 | 9.7 | 479.1 | (12.8) | 466.3 |
| Net realized capital losses, net of tax | (6.6) | (5.2) | (2.5) | (14.3) | - | (14.3) |
| Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁷⁾ | - | - | 28.5 | 28.5 | - | 28.5 |
| Net income (loss) | \$ 424.3 | \$ 33.3 | \$ 35.7 | \$ 493.3 | \$ (12.8) | \$ 480.5 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Statements of Net Income (Loss) by Segment

| (Millions) | Health Care | Group Insurance | Large Case Pensions | Total Business Segments | Corporate Financing | Consolidated |
|--|----------------|--------------------|------------------------|----------------------------|------------------------|--------------|
| Six Months Ended June 30, 2009 | | | | | | |
| Revenue: | | | | | | |
| Premiums | \$ 14,022.7 | \$ 873.9 | \$ 87.1 | \$ 14,983.7 | \$ - | \$ 14,983.7 |
| Fees and other revenue | 1,724.2 | 55.5 | 5.7 | 1,785.4 | - | 1,785.4 |
| Net investment income | 193.3 | 133.5 | 181.2 | 508.0 | - | 508.0 |
| Total revenue, excluding net realized capital (losses) gains ⁽¹⁾ | 15,940.2 | 1,062.9 | 274.0 | 17,277.1 | - | 17,277.1 |
| Benefits and expenses: | | | | | | |
| Health care costs | 11,906.6 | - | - | 11,906.6 | - | 11,906.6 |
| Current and future benefits | - | 757.2 | 249.9 | 1,007.1 | - | 1,007.1 |
| Operating expenses: | | | | | | |
| Selling expenses | 579.4 | 46.9 | - | 626.3 | - | 626.3 |
| General and administrative expenses | 2,167.6 | 139.9 | 3.2 | 2,310.7 | 117.5 ⁽⁵⁾ | 2,428.2 |
| Total operating expenses | 2,747.0 | 186.8 | 3.2 | 2,937.0 | 117.5 | 3,054.5 |
| Interest expense | - | - | - | - | 122.2 | 122.2 |
| Amortization of other acquired intangible assets | 45.6 | 3.4 | - | 49.0 | - | 49.0 |
| Total benefits and expenses | 14,699.2 | 947.4 | 253.1 | 15,899.7 | 239.7 | 16,139.4 |
| Operating earnings (loss), excluding income taxes | 1,241.0 | 115.5 | 20.9 | 1,377.4 | (239.7) | 1,137.7 |
| Income taxes | 435.6 | 30.9 | 4.0 | 470.5 | (83.9) | 386.6 |
| Operating earnings (loss) | 805.4 | 84.6 | 16.9 | 906.9 | (155.8) | 751.1 |
| Litigation-related insurance proceeds, net of tax ⁽⁶⁾ | 24.9 | - | - | 24.9 | - | 24.9 |
| Net realized capital (losses) gains, net of tax | (3.9) | 13.5 | (1.2) | 8.4 | - | 8.4 |
| Net income (loss) | \$ 826.4 | \$ 98.1 | \$ 15.7 | \$ 940.2 | \$ (155.8) | \$ 784.4 |
| Six Months Ended June 30, 2008 | | | | | | |
| Revenue: | | | | | | |
| Premiums | \$ 12,542.4 | \$ 837.7 | \$ 110.8 | \$ 13,490.9 | \$ - | \$ 13,490.9 |
| Fees and other revenue | 1,599.4 | 49.1 | 6.1 | 1,654.6 | - | 1,654.6 |
| Net investment income | 181.4 | 129.5 | 191.0 | 501.9 | - | 501.9 |
| Total revenue, excluding net realized capital losses ⁽¹⁾ | 14,323.2 | 1,016.3 | 307.9 | 15,647.4 | - | 15,647.4 |
| Benefits and expenses: | | | | | | |
| Health care costs | 10,239.5 | - | - | 10,239.5 | - | 10,239.5 |
| Current and future benefits | - | 731.9 | 277.8 | 1,009.7 | - | 1,009.7 |
| Operating expenses: | | | | | | |
| Selling expenses | 530.6 | 48.8 | - | 579.4 | - | 579.4 |
| General and administrative expenses | 2,153.9 | 131.4 | 7.8 | 2,293.1 | (73.6) ⁽⁵⁾ | 2,219.5 |
| Total operating expenses | 2,684.5 | 180.2 | 7.8 | 2,872.5 | (73.6) | 2,798.9 |
| Interest expense | - | - | - | - | 111.0 | 111.0 |
| Amortization of other acquired intangible assets | 51.6 | 3.5 | - | 55.1 | - | 55.1 |
| Total benefits and expenses | 12,975.6 | 915.6 | 285.6 | 14,176.8 | 37.4 | 14,214.2 |
| Operating earnings (loss), excluding income taxes | 1,347.6 | 100.7 | 22.3 | 1,470.6 | (37.4) | 1,433.2 |
| Income taxes | 478.1 | 28.0 | 4.3 | 510.4 | (13.1) | 497.3 |
| Operating earnings (loss) | 869.5 | 72.7 | 18.0 | 960.2 | (24.3) | 935.9 |
| Net realized capital losses, net of tax | (20.6) | (24.4) | (7.3) | (52.3) | - | (52.3) |
| Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁷⁾ | - | - | 28.5 | 28.5 | - | 28.5 |
| Net income (loss) | \$ 848.9 | \$ 48.3 | \$ 39.2 | \$ 936.4 | \$ (24.3) | \$ 912.1 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Balance Sheets

| (Millions) | June 30, 2009 | | | December 31, 2008 | | |
|--|---------------------------------------|------------------------|--------------------|---------------------------------------|------------------------|--------------------|
| | Health Care and Group Insurance | Large Case Pensions | Consolidated | Health Care and Group Insurance | Large Case Pensions | Consolidated |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 1,056.7 | \$ 150.8 | \$ 1,207.5 | \$ 1,023.5 | \$ 156.0 | \$ 1,179.5 |
| Investments | 1,632.6 | 566.0 | 2,198.6 | 542.8 | 163.2 | 706.0 |
| Premiums receivable, net | 820.9 | - | 820.9 | 616.4 | - | 616.4 |
| Other receivables, net | 664.2 | 40.3 | 704.5 | 521.4 | 32.9 | 554.3 |
| Accrued investment income | 133.2 | 63.5 | 196.7 | 126.1 | 67.5 | 193.6 |
| Collateral received under securities loan agreements | 478.9 | 103.4 | 582.3 | 538.8 | 210.8 | 749.6 |
| Income taxes receivable | 126.7 | 66.6 | 193.3 | 121.1 | 43.8 | 164.9 |
| Deferred income taxes | 344.2 | 94.2 | 438.4 | 257.5 | 44.0 | 301.5 |
| Other current assets | 572.2 | 3.3 | 575.5 | 448.3 | 4.3 | 452.6 |
| Total current assets | 5,829.6 | 1,088.1 | 6,917.7 | 4,195.9 | 722.5 | 4,918.4 |
| Long-term investments | 10,396.2 | 5,221.0 | 15,617.2 | 10,412.4 | 5,751.0 | 16,163.4 |
| Reinsurance recoverables | 986.4 | 9.4 | 995.8 | 1,000.7 | 9.6 | 1,010.3 |
| Goodwill | 5,089.4 | - | 5,089.4 | 5,085.6 | - | 5,085.6 |
| Other acquired intangible assets, net | 618.4 | - | 618.4 | 667.4 | - | 667.4 |
| Property and equipment, net | 479.3 | 30.2 | 509.5 | 433.0 | 34.5 | 467.5 |
| Deferred income taxes | 268.3 | 137.3 | 405.6 | 551.6 | 227.1 | 778.7 |
| Other long-term assets | 795.7 | - | 795.7 | 841.3 | - | 841.3 |
| Separate Accounts assets | 1.2 | 5,812.1 | 5,813.3 | 1.6 | 5,918.3 | 5,919.9 |
| Total assets | \$ 24,464.5 | \$ 12,298.1 | \$ 36,762.6 | \$ 23,189.5 | \$ 12,663.0 | \$ 35,852.5 |
| Liabilities and shareholders' equity | | | | | | |
| Current liabilities: | | | | | | |
| Health care costs payable | \$ 2,765.2 | \$ - | \$ 2,765.2 | \$ 2,393.2 | \$ - | \$ 2,393.2 |
| Future policy benefits | 140.4 | 595.8 | 736.2 | 145.1 | 614.6 | 759.7 |
| Unpaid claims | 560.5 | .8 | 561.3 | 559.0 | .8 | 559.8 |
| Unearned premiums | 293.5 | 7.9 | 301.4 | 232.1 | 6.5 | 238.6 |
| Policyholders' funds | 763.9 | 39.5 | 803.4 | 712.4 | 42.0 | 754.4 |
| Collateral payable under securities loan agreements | 478.9 | 103.4 | 582.3 | 538.8 | 210.8 | 749.6 |
| Short-term debt | 194.7 | - | 194.7 | 215.7 | - | 215.7 |
| Accrued expenses and other current liabilities | 1,912.7 | 77.0 | 1,989.7 | 1,799.0 | 84.8 | 1,883.8 |
| Total current liabilities | 7,109.8 | 824.4 | 7,934.2 | 6,595.3 | 959.5 | 7,554.8 |
| Future policy benefits | 1,870.9 | 4,778.2 | 6,649.1 | 1,926.9 | 4,838.5 | 6,765.4 |
| Unpaid claims | 1,312.0 | - | 1,312.0 | 1,271.2 | - | 1,271.2 |
| Policyholders' funds | 588.0 | 595.5 | 1,183.5 | 618.9 | 552.8 | 1,171.7 |
| Long-term debt | 3,638.9 | - | 3,638.9 | 3,638.3 | - | 3,638.3 |
| Other long-term liabilities | 1,328.2 | 26.2 | 1,354.4 | 1,328.1 | 16.7 | 1,344.8 |
| Separate Accounts liabilities | 1.2 | 5,812.1 | 5,813.3 | 1.6 | 5,918.3 | 5,919.9 |
| Total liabilities | 15,849.0 | 12,036.4 | 27,885.4 | 15,380.3 | 12,285.8 | 27,666.1 |
| Shareholders' equity | 8,615.5 | 261.7 | 8,877.2 | 7,809.2 | 377.2 | 8,186.4 |
| Total liabilities and shareholders' equity | \$ 24,464.5 | \$ 12,298.1 | \$ 36,762.6 | \$ 23,189.5 | \$ 12,663.0 | \$ 35,852.5 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows

| (Millions) | Three Months Ended | | | | | |
|---|---------------------------------------|------------------------|-------------------|---------------------------------------|------------------------|-----------------|
| | June 30, 2009 | | | June 30, 2008 | | |
| | Health Care and Group Insurance | Large Case Pensions | Consolidated | Health Care and Group Insurance | Large Case Pensions | Consolidated |
| Cash flows from operating activities: | | | | | | |
| Net income | \$ 337.1 | \$ 9.5 | \$ 346.6 | \$ 444.8 | \$ 35.7 | \$ 480.5 |
| Adjustments to reconcile net income to net cash provided | | | | | | |
| by (used for) operating activities: | | | | | | |
| Net realized capital (gains) losses | (11.4) | (1.8) | (13.2) | 18.2 | 3.9 | 22.1 |
| Depreciation and amortization | 103.9 | - | 103.9 | 97.7 | - | 97.7 |
| Equity in earnings of affiliates, net | 6.0 | (5.4) | .6 | 4.8 | (.5) | 4.3 |
| Stock-based compensation expense | 18.5 | - | 18.5 | 23.8 | - | 23.8 |
| Accretion of net investment discount | (12.9) | (6.1) | (19.0) | (.4) | (4.3) | (4.7) |
| Changes in assets and liabilities: | | | | | | |
| Accrued investment income | (9.7) | 2.6 | (7.1) | (5.4) | 4.4 | (1.0) |
| Premiums due and other receivables | (36.3) | (.8) | (37.1) | (7.9) | (.6) | (8.5) |
| Income taxes | (220.6) | 1.5 | (219.1) | (220.7) | 6.7 | (214.0) |
| Other assets and other liabilities | (2.8) | 3.7 | .9 | (41.1) | 9.1 | (32.0) |
| Health care and insurance liabilities | (13.7) | (60.5) | (74.2) | (74.3) | (106.1) ⁽⁷⁾ | (180.4) |
| Other, net | .3 | (.7) | (.4) | (1.6) | .3 | (1.3) |
| Net cash provided by (used for) operating activities | 158.4 | (58.0) | 100.4 | 237.9 | (51.4) | 186.5 |
| Cash flows from investing activities: | | | | | | |
| Proceeds from sales and maturities of investments | 2,103.8 | 367.3 | 2,471.1 | 2,844.1 | 678.5 | 3,522.6 |
| Cost of investments purchased | (2,468.3) | (414.7) | (2,883.0) | (3,185.5) | (601.3) | (3,786.8) |
| Increase in property, equipment and software | (79.7) | - | (79.7) | (110.2) | - | (110.2) |
| Cash used for acquisition, net of cash acquired | (6.1) | - | (6.1) | - | - | - |
| Net cash (used for) provided by investing activities | (450.3) | (47.4) | (497.7) | (451.6) | 77.2 | (374.4) |
| Cash flows from financing activities: | | | | | | |
| Net issuance (repayment) of short-term debt | 94.7 | - | 94.7 | 257.2 | (.1) | 257.1 |
| Deposits and interest credited for investment contracts | - | 1.5 | 1.5 | - | 2.1 | 2.1 |
| Withdrawals of investment contracts | - | (3.2) | (3.2) | - | (4.8) | (4.8) |
| Common shares issued under benefit plans | (.4) | - | (.4) | 4.9 | - | 4.9 |
| Stock-based compensation tax benefits | 1.1 | - | 1.1 | 3.4 | - | 3.4 |
| Common shares repurchased | (269.2) | - | (269.2) | (604.6) | - | (604.6) |
| Collateral on interest rate swaps | 33.0 | - | 33.0 | - | - | - |
| Other, net | (4.8) | 4.8 | - | (11.1) | 1.0 | (10.1) |
| Net cash (used for) provided by financing activities | (145.6) | 3.1 | (142.5) | (350.2) | (1.8) | (352.0) |
| Net (decrease) increase in cash and cash equivalents | (437.5) | (102.3) | (539.8) | (563.9) | 24.0 | (539.9) |
| Cash and cash equivalents, beginning of period | 1,494.2 | 253.1 | 1,747.3 | 1,290.6 | 80.1 | 1,370.7 |
| Cash and cash equivalents, end of period | \$ 1,056.7 | \$ 150.8 | \$ 1,207.5 | \$ 726.7 | \$ 104.1 | \$ 830.8 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows

| (Millions) | Six Months Ended | | | | | |
|---|---------------------------------------|------------------------|-------------------|---------------------------------------|------------------------|-----------------|
| | June 30, 2009 | | | June 30, 2008 | | |
| | Health Care and Group Insurance | Large Case Pensions | Consolidated | Health Care and Group Insurance | Large Case Pensions | Consolidated |
| Cash flows from operating activities: | | | | | | |
| Net income | \$ 768.7 | \$ 15.7 | \$ 784.4 | \$ 872.9 | \$ 39.2 | \$ 912.1 |
| Adjustments to reconcile net income to net cash provided by (used for) operating activities: | | | | | | |
| Net realized capital (gains) losses | (9.6) | 1.2 | (8.4) | 69.3 | 11.3 | 80.6 |
| Depreciation and amortization | 200.9 | - | 200.9 | 185.9 | - | 185.9 |
| Equity in earnings of affiliates, net | 13.5 | (2.7) | 10.8 | 25.7 | 8.4 | 34.1 |
| Stock-based compensation expense | 55.7 | - | 55.7 | 55.5 | - | 55.5 |
| (Accretion) amortization of net investment (discount) premium | (22.7) | (12.8) | (35.5) | 4.0 | (3.8) | .2 |
| Changes in assets and liabilities: | | | | | | |
| Accrued investment income | (7.1) | 4.0 | (3.1) | (9.1) | 2.8 | (6.3) |
| Premiums due and other receivables | (293.7) | (.3) | (294.0) | (273.0) | .3 | (272.7) |
| Income taxes | (6.0) | 3.6 | (2.4) | (37.6) | 10.7 | (26.9) |
| Other assets and other liabilities | (66.3) | (1.5) | (67.8) | (89.6) | 11.1 | (78.5) |
| Health care and insurance liabilities | 400.9 | (113.4) | 287.5 | 395.7 ⁽⁸⁾ | (194.7) ⁽⁷⁾ | 201.0 |
| Other, net | (.2) | (1.2) | (1.4) | (1.2) | .3 | (.9) |
| Net cash provided by (used for) operating activities | 1,034.1 | (107.4) | 926.7 | 1,198.5 | (114.4) | 1,084.1 |
| Cash flows from investing activities: | | | | | | |
| Proceeds from sales and maturities of investments | 3,980.2 | 981.6 | 4,961.8 | 5,055.0 | 1,271.4 | 6,326.4 |
| Cost of investments purchased | (4,436.4) | (733.9) | (5,170.3) | (5,870.7) | (1,155.2) | (7,025.9) |
| Increase in property, equipment and software | (168.3) | - | (168.3) | (192.9) | - | (192.9) |
| Cash used for acquisition, net of cash acquired | (6.1) | - | (6.1) | - | - | - |
| Net cash (used for) provided by investing activities | (630.6) | 247.7 | (382.9) | (1,008.6) | 116.2 | (892.4) |
| Cash flows from financing activities: | | | | | | |
| Net (repayment) issuance of short-term debt | (20.1) | - | (20.1) | 516.1 | (10.3) | 505.8 |
| Deposits and interest credited for investment contracts | - | 3.4 | 3.4 | - | 4.1 | 4.1 |
| Withdrawals of investment contracts | - | (7.1) | (7.1) | - | (5.9) | (5.9) |
| Common shares issued under benefit plans | 3.3 | - | 3.3 | 17.9 | - | 17.9 |
| Stock-based compensation tax benefits | 4.7 | - | 4.7 | 20.4 | - | 20.4 |
| Common shares repurchased | (533.0) | - | (533.0) | (1,157.2) | - | (1,157.2) |
| Intersegment dividend | 147.7 | (147.7) | - | - | - | - |
| Collateral on interest rate swaps | 33.0 | - | 33.0 | - | - | - |
| Other, net | (5.9) | 5.9 | - | (1.2) | 1.2 | - |
| Net cash used for financing activities | (370.3) | (145.5) | (515.8) | (604.0) | (10.9) | (614.9) |
| Net increase (decrease) in cash and cash equivalents | 33.2 | (5.2) | 28.0 | (414.1) | (9.1) | (423.2) |
| Cash and cash equivalents, beginning of period | 1,023.5 | 156.0 | 1,179.5 | 1,140.8 | 113.2 | 1,254.0 |
| Cash and cash equivalents, end of period | \$ 1,056.7 | \$ 150.8 | \$ 1,207.5 | \$ 726.7 | \$ 104.1 | \$ 830.8 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Roll Forward of Health Care Costs Payable

| (Millions) | Six Months Ended | | Year Ended December 31, | |
|--|------------------|------------|-------------------------|------------|
| | June 30, | | 2007 | 2006 |
| | 2009 | 2008 | 2007 | 2006 |
| Health care costs payable at beginning of period | \$ 2,393.2 | \$ 2,177.4 | \$ 1,927.5 | \$ 1,817.0 |
| Less: reinsurance recoverables | 2.0 | 2.9 | 3.7 | 5.5 |
| Health care costs payable at beginning of period - net | 2,391.2 | 2,174.5 | 1,923.8 | 1,811.5 |
| Acquisition of businesses | - | - | 58.1 | - |
| Incurred health care costs: | | | | |
| Current year | 11,989.6 | 20,948.5 | 17,472.0 | 15,495.4 |
| Prior years * | (83.0) | (163.0) | (177.2) | (194.4) |
| Total incurred health care costs | 11,906.6 | 20,785.5 | 17,294.8 | 15,301.0 |
| Paid health care costs: | | | | |
| Current year | 9,494.3 | 18,726.4 | 15,528.5 | 13,761.9 |
| Prior years | 2,040.2 | 1,842.4 | 1,573.7 | 1,426.8 |
| Total paid health care costs | 11,534.5 | 20,568.8 | 17,102.2 | 15,188.7 |
| Health care costs payable at end of period - net | 2,763.3 | 2,391.2 | 2,174.5 | 1,923.8 |
| Plus: reinsurance recoverables | 1.9 | 2.0 | 2.9 | 3.7 |
| Health care costs payable at end of period | \$ 2,765.2 | \$ 2,393.2 | \$ 2,177.4 | \$ 1,927.5 |
| Health care costs payable: | | | | |
| Incurred but not reported claims | \$ 2,455.8 | \$ 2,059.9 | \$ 1,745.6 | \$ 1,507.7 |
| Other claims | 309.4 | 333.3 | 431.8 | 419.8 |
| Total health care costs payable | \$ 2,765.2 | \$ 2,393.2 | \$ 2,177.4 | \$ 1,927.5 |

* Negative amounts reported for incurred health care costs related to prior years result from claims being settled for amounts less than originally estimated.

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Investment Portfolio
At June 30, 2009

| (Millions) | Supporting Non-Experience-Rated Products | | | | Supporting Experience-Rated and Discontinued Products in Large Case Pensions | | Total Portfolio | |
|---|--|------------------------|--------------------|--------------|--|--------------|--------------------|--------------|
| | Health Care and Group Insurance | Large Case Pensions | Total | Percent | Total | Percent | Total | Percent |
| Debt and equity securities: | | | | | | | | |
| Debt securities: | | | | | | | | |
| U.S. government securities | \$ 933.9 | \$ 15.4 | \$ 949.3 | 6.9% | \$ 145.0 | 2.7% | \$ 1,094.3 | 5.8% |
| States, municipalities and political subdivisions | 1,860.1 | - | 1,860.1 | 13.5% | 62.5 | 1.2% | 1,922.6 | 10.1% |
| U.S. corporate securities | 4,153.3 | 240.1 | 4,393.4 | 32.0% | 2,325.5 | 44.0% | 6,718.9 | 35.3% |
| Foreign securities | 1,562.2 | 96.3 | 1,658.5 | 12.1% | 706.9 | 13.4% | 2,365.4 | 12.4% |
| Residential mortgage-backed securities | 988.2 | 128.0 | 1,116.2 | 8.1% | 60.3 | 1.1% | 1,176.5 | 6.2% |
| Commercial mortgage-backed securities | 618.3 | 34.4 | 652.7 | 4.8% | 275.5 | 5.2% | 928.2 | 4.9% |
| Other asset-backed securities | 351.2 | 45.7 | 396.9 | 2.9% | 37.7 | .7% | 434.6 | 2.3% |
| Redeemable preferred securities | 151.9 | 13.9 | 165.8 | 1.2% | 138.5 | 2.6% | 304.3 | 1.6% |
| Total debt securities | 10,619.1 | 573.8 | 11,192.9 | 81.5% | 3,751.9 | 70.9% | 14,944.8 | 78.6% |
| Equity securities | 1.1 | - | 1.1 | - | 29.6 | .6% | 30.7 | .2% |
| Total debt and equity securities | 10,620.2 | 573.8 | 11,194.0 | 81.5% | 3,781.5 | 71.5% | 14,975.5 | 78.8% |
| Mortgage loans | 826.0 | 14.5 | 840.5 | 6.1% | 793.8 | 15.0% | 1,634.3 | 8.6% |
| Other investments: | | | | | | | | |
| Real estate | 116.3 | .4 | 116.7 | .8% | 64.2 | 1.2% | 180.9 | 1.0% |
| Hedge funds | 146.5 | - | 146.5 | 1.1% | 331.5 | 6.2% | 478.0 | 2.5% |
| Private equity | 82.5 | 9.9 | 92.4 | .7% | 210.5 | 4.0% | 302.9 | 1.6% |
| Other | 237.3 | 6.9 | 244.2 | 1.8% | - | - | 244.2 | 1.2% |
| Total other investments | 582.6 | 17.2 | 599.8 | 4.4% | 606.2 | 11.4% | 1,206.0 | 6.3% |
| Total investments | 12,028.8 | 605.5 | 12,634.3 | 92.0% | 5,181.5 | 97.9% | 17,815.8 | 93.7% |
| Cash and cash equivalents | 1,056.7 | 40.1 | 1,096.8 | 8.0% | 110.7 | 2.1% | 1,207.5 | 6.3% |
| Total investments, cash and cash equivalents | \$ 13,085.5 | \$ 645.6 | \$ 13,731.1 | | \$ 5,292.2 | | \$ 19,023.3 | |

Average credit quality

A+

A

A+

A

A+

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure

| (Millions, except per common share data) | Three Months Ended | | Six Months Ended | |
|--|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
| Summary of Results | | | | |
| Business segment operating earnings | \$ 386.2 | \$ 479.1 | \$ 906.9 | \$ 960.2 |
| Corporate Financing segment operating loss | (77.7) | (12.8) | (155.8) | (24.3) |
| Operating earnings | 308.5 | 466.3 | 751.1 | 935.9 |
| Litigation-related insurance proceeds ⁽⁶⁾ | 24.9 | - | 24.9 | - |
| Reduction of reserve for anticipated future losses on discontinued products ⁽⁷⁾ | - | 28.5 | - | 28.5 |
| Net realized capital gains (losses), net of tax | 13.2 | (14.3) | 8.4 | (52.3) |
| Net income (GAAP measure) | \$ 346.6 | \$ 480.5 | \$ 784.4 | \$ 912.1 |
| Weighted average common shares - diluted | 450.7 | 495.8 | 456.1 | 502.4 |
| Summary of Results Per Common Share | | | | |
| Business segment operating earnings | \$.85 | \$.97 | \$ 1.99 | \$ 1.91 |
| Corporate Financing segment operating loss | (.17) | (.03) | (.34) | (.05) |
| Operating earnings | .68 | .94 | 1.65 | 1.86 |
| Litigation-related insurance proceeds ⁽⁶⁾ | .06 | - | .05 | - |
| Reduction of reserve for anticipated future losses on discontinued products ⁽⁷⁾ | - | .06 | - | .06 |
| Net realized capital gains (losses), net of tax | .03 | (.03) | .02 | (.10) |
| Net income (GAAP measure) | \$.77 | \$.97 | \$ 1.72 | \$ 1.82 |
| Health Care and Group Insurance Operating Cash Flows as a Percentage of Operating Earnings | | | | |
| Net cash provided by operating activities: Health Care, Group Insurance and Corporate Financing | (A) \$ 158.4 | \$ 237.9 | \$ 1,034.1 | \$ 1,198.5 |
| Operating earnings: Health Care, Group Insurance and Corporate Financing excluding Corporate Financing pension (expense) benefit | (B) 339.0 | 432.6 | 810.6 | 870.0 |
| Corporate Financing pension (expense) benefit ⁽⁵⁾ | (38.2) | 24.0 | (76.4) | 47.9 |
| Operating earnings: Health Care, Group Insurance and Corporate Financing | 300.8 | 456.6 | 734.2 | 917.9 |
| Net realized capital gains (losses), net of tax | 11.4 | (11.8) | 9.6 | (45.0) |
| Litigation-related insurance proceeds ⁽⁶⁾ | 24.9 | - | 24.9 | - |
| Net income: Health Care, Group Insurance and Corporate Financing | (C) \$ 337.1 | \$ 444.8 | \$ 768.7 | \$ 872.9 |
| Operating cash flow as a percentage of operating earnings excluding Corporate Financing pension (expense) benefit | (A)/(B) 46.7% | 55.0% | 127.6% | 137.8% |
| Operating cash flow as a percentage of net income | (A)/(C) 47.0% | 53.5% | 134.5% | 137.3% |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (continued)

| (Millions, except per common share data) | Three Months Ended | | Six Months Ended | |
|--|--------------------|-------------------|--------------------|--------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
| Health Care | | | | |
| Reconciliation of Revenue | | | | |
| Revenue, excluding net realized capital gains (losses) | \$ 7,987.9 | \$ 7,185.7 | \$ 15,940.2 | \$ 14,323.2 |
| Net realized capital gains (losses) | 1.9 | (10.2) | (3.9) | (31.7) |
| Total revenue (GAAP measure) | \$ 7,989.8 | \$ 7,175.5 | \$ 15,936.3 | \$ 14,291.5 |
| Commercial Medical Benefit Ratio: | | | | |
| Premiums | \$ 5,370.0 | \$ 4,954.4 | \$ 10,692.0 | \$ 9,837.8 |
| Health care costs (GAAP measure) | 4,611.0 | \$ 3,990.1 | \$ 8,957.3 | \$ 7,887.9 |
| Unfavorable development of prior-period health care cost estimates | (65.4) | | | |
| Health care costs - Adjusted | \$ 4,545.6 | | | |
| Commercial Medical Benefit Ratio (GAAP measure) | 85.9% | 80.5% | 83.8% | 80.2% |
| Commercial Medical Benefit Ratio - Adjusted | 84.6% | | | |
| Group Insurance | | | | |
| Reconciliation of Revenue | | | | |
| Revenue, excluding net realized capital gains (losses) | \$ 535.7 | \$ 503.8 | \$ 1,062.9 | \$ 1,016.3 |
| Net realized capital gains (losses) | 9.5 | (8.0) | 13.5 | (37.6) |
| Total revenue (GAAP measure) | \$ 545.2 | \$ 495.8 | \$ 1,076.4 | \$ 978.7 |
| Large Case Pensions | | | | |
| Reconciliation of Revenue | | | | |
| Revenue, excluding net realized capital gains (losses) | \$ 134.0 | \$ 160.7 | \$ 274.0 | \$ 307.9 |
| Net realized capital gains (losses) | 1.8 | (3.9) | (1.2) | (11.3) |
| Total revenue (GAAP measure) | \$ 135.8 | \$ 156.8 | \$ 272.8 | \$ 296.6 |

Refer to page 14 for an explanation of footnotes and definitions of terms used.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (continued)

| (Millions) | Three Months Ended | | Six Months Ended | | |
|--|--------------------|-------------------|-------------------|--------------------|--------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 | |
| Reconciliation to Income Before Income Taxes | | | | | |
| Operating earnings before income taxes, excluding interest expense, Corporate Financing pension (expense) benefit and amortization of other acquired intangible assets | (A) | \$ 607.9 | \$ 761.3 | \$ 1,426.4 | \$ 1,525.7 |
| Corporate Financing pension (expense) benefit ⁽⁵⁾ | | (58.7) | 36.8 | (117.5) | 73.6 |
| Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets | (B) | 549.2 | 798.1 | 1,308.9 | 1,599.3 |
| Interest expense | | (60.7) | (56.6) | (122.2) | (111.0) |
| Amortization of other acquired intangible assets | | (24.5) | (27.3) | (49.0) | (55.1) |
| Reduction of reserve for anticipated future losses on discontinued products ⁽⁷⁾ | | - | 43.8 | - | 43.8 |
| Litigation-related insurance proceeds ⁽⁶⁾ | | 38.2 | - | 38.2 | - |
| Net realized capital gains (losses) | | 13.2 | (22.1) | 8.4 | (80.6) |
| Income before income taxes (GAAP measure) | | \$ 515.4 | \$ 735.9 | \$ 1,184.3 | \$ 1,396.4 |
| Reconciliation to Net Income | | | | | |
| Operating earnings, excluding interest expense, Corporate Financing pension (expense) benefit and amortization of other acquired intangible assets | | \$ 402.1 | \$ 496.8 | \$ 938.7 | \$ 996.0 |
| Corporate Financing pension (expense) benefit ⁽⁵⁾ | | (38.2) | 24.0 | (76.4) | 47.9 |
| Operating earnings, excluding interest expense and amortization of other acquired intangible assets | | 363.9 | 520.8 | 862.3 | 1,043.9 |
| Interest expense, net of tax | | (39.5) | (36.8) | (79.4) | (72.2) |
| Amortization of other acquired intangible assets, net of tax | | (15.9) | (17.7) | (31.8) | (35.8) |
| Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁷⁾ | | - | 28.5 | - | 28.5 |
| Litigation-related insurance proceeds, net of tax ⁽⁶⁾ | | 24.9 | - | 24.9 | - |
| Net realized capital gains (losses), net of tax | | 13.2 | (14.3) | 8.4 | (52.3) |
| Net income (GAAP measure) | (C) | \$ 346.6 | \$ 480.5 | \$ 784.4 | \$ 912.1 |
| Reconciliation of Revenue | | | | | |
| Revenue, excluding net realized capital gains (losses) | (D) | \$ 8,657.6 | \$ 7,850.2 | \$ 17,277.1 | 15,647.4 |
| Net realized capital gains (losses) | | 13.2 | (22.1) | 8.4 | (80.6) |
| Total revenue (GAAP measure) | (E) | \$ 8,670.8 | \$ 7,828.1 | \$ 17,285.5 | \$ 15,566.8 |
| Operating Margin | | | | | |
| Business Segments - pretax operating margin ⁽¹⁾ | (A)/(D) | 7.0 % | 9.7 % | 8.3 % | 9.8 % |
| Total Company - pretax operating margin ⁽¹⁾ | (B)/(D) | 6.3 % | 10.2 % | 7.6 % | 10.2 % |
| Total Company - after-tax net income margin | (C)/(E) | 4.0 % | 6.1 % | 4.5 % | 5.9 % |
| Reconciliation of Operating Expenses | | | | | |
| Business segment operating expenses | (F) | \$ 1,443.5 | \$ 1,434.8 | \$ 2,937.0 | \$ 2,872.5 |
| Corporate Financing segment operating expenses ⁽⁵⁾ | | 58.7 | (36.8) | 117.5 | (73.6) |
| Operating expenses, including Corporate Financing | (G) | 1,502.2 | 1,398.0 | 3,054.5 | 2,798.9 |
| Less: Litigation-related insurance proceeds ⁽⁶⁾ | | 38.2 | - | 38.2 | - |
| Total operating expenses (GAAP measure) | (H) | \$ 1,464.0 | \$ 1,398.0 | \$ 3,016.3 | \$ 2,798.9 |
| Operating Expense Ratios: | | | | | |
| Operating expense ratio | (G)/(D) | 17.4 % | 17.8 % | 17.7 % | 17.9 % |
| Business segment operating ratio | (F)/(D) | 16.7 % | 18.3 % | 17.0 % | 18.4 % |
| Total operating expense ratio (GAAP measure) | (H)/(E) | 16.9 % | 17.9 % | 17.4 % | 18.0 % |

Refer to page 14 for an explanation of footnotes and definitions of terms used

Footnotes

- (1) In order to provide a comparison that we believe provides useful information regarding our underlying performance, all operating earnings metrics exclude net realized capital gains and losses and other items, if any, from net income. In addition, operating margins exclude interest expense and amortization of other acquired intangible assets. Also, revenue excludes net realized capital gains and losses. We use these measures to assess business performance and to make decisions regarding our operations and allocation of resources among our businesses. For a reconciliation of financial measures calculated under U.S. generally accepted accounting principles ("GAAP"), refer to pages 11-13.
- (2) Represents members in consumer-directed health plans included in our Commercial medical membership.
- (3) Represents members in products that allow these members access to our dental provider network for a nominal fee.
- (4) Represents members who purchased medications through our mail order pharmacy operations during the quarterly period and included in pharmacy membership.
- (5) The Corporate Financing segment includes interest expense on our outstanding debt and, beginning in 2009, the financing components of our pension and other postretirement benefit plan expenses (herein referred to as "pension expense"). We continue to allocate the operating component of this expense (i.e., the service cost and prior service cost) to our business segments. The following table depicts the components of our pension expense for the three and six months ended June 30, 2009 and 2008. Prior periods have been reclassified to reflect this change.

| (Millions) | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | June 30, 2009 | June 30, 2008 | June 30, 2009 | June 30, 2008 |
| Pretax - Pension Expense | | | | |
| Operating component (allocated by business segments) | \$ 10.7 | \$ 9.4 | \$ 21.3 | \$ 18.8 |
| Financing component (allocated to Corporate Financing segment) | 58.7 | (36.8) | 117.5 | (73.6) |
| Total pension expense (benefit) - pretax | \$ 69.4 | \$ (27.4) | \$ 138.8 | \$ (54.8) |
| After tax - Pension Expense | | | | |
| Operating component (allocated by business segments) | \$ 6.9 | \$ 6.1 | \$ 13.8 | \$ 12.2 |
| Financing component (allocated to Corporate Financing segment) | 38.2 | (24.0) | 76.4 | (47.9) |
| Total pension expense (benefit) - after tax | \$ 45.1 | \$ (17.9) | \$ 90.2 | \$ (35.7) |

- (6) Following a Pennsylvania Supreme Court ruling in June 2009, we received \$38.2 million (\$24.9 million after tax) from one of our liability insurers related to certain litigation we settled in 2003. We believe these litigation-related proceeds neither relate to the ordinary course of our business nor reflect our underlying business performance, and therefore, we have excluded them from operating earnings in 2009.
- (7) Includes a reduction of the reserve for anticipated future losses on discontinued products of \$44 million for the three and six months ended June 30, 2008. Changes in insurance liabilities are satisfied by sales of related investment assets included in net cash provided by investment activities.
- (8) Includes approximately \$127 million of cash proceeds for the six months ended June 30, 2008, for premium stabilization funds received from a large customer.

Definitions

Administrative Services Contracts ("ASC") include all medical and dental products offered on an employer-funded basis. Under employer-funded plans, the plan sponsor assumes all or a majority of health care cost, utilization or other risk.

Benefit Ratios are calculated by dividing benefit costs by premiums. Various product level versions of this metric are provided and are calculated using this base formula. For example, the Total Medical Benefit Ratio is calculated by dividing health care costs by health care premiums.

Commercial includes all medical, dental and other health care products except Medicare and Medicaid.

Days Claims Payable is calculated by dividing the health care costs payable at each quarter end by the health care costs per day in each respective quarter.

Insured includes all medical, dental and other health care products for which we assume all or a majority of health care cost, utilization or other risk.

Operating Earnings exclude net realized capital gains (losses) and other items, if any, from net income.

Operating Expense Ratios are calculated by dividing operating expenses, excluding other items, if any, by revenue, excluding net realized capital gains (losses).

Pretax Operating Margins are calculated by dividing pretax operating earnings, excluding interest expense, Corporate Financing pension (expense) benefit, amortization of other acquired intangible assets and other items, if any, by revenue, excluding net realized capital gains (losses).

Selling Expenses are comprised of broker commissions, the variable component of our internal sales force compensation and premium taxes.

Balance Sheet Terms

Future Policy Benefits consist primarily of reserves for limited payment pension and annuity contracts in the Large Case Pension business and long-duration group paid-up life and long-term care insurance contracts in the Group Insurance business.

Health Care Costs Payable consist principally of unpaid fee-for-service claims, capitation costs and other amounts due to health care providers pursuant to insured arrangements.

Policyholders' Funds consist primarily of reserves for pension and annuity investment contracts in the Large Case Pension business and customer funds associated with group life and health contracts in the Health Care and Group Insurance business.

Separate Account assets and liabilities in the Large Case Pensions business generally represent funds maintained to meet specific objectives of contract holders who bear the investment risk.

Unpaid Claims consist primarily of reserves associated with certain short-duration group disability and term life insurance contracts in the Group Insurance business.