

# Financial Supplement

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This document is supplemental to our first quarter 2010 earnings press release issued on April 29, 2010 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended March 31, 2010 when filed with the U.S. Securities and Exchange Commission. Please direct questions with respect to this material to Kim Keck, Head of Investor Relations and Treasurers at 860-273-1327 or keckka@aetna.com.

## Financial Highlights

(Millions, except per common share data)	Three Months Ended March 31,		Change
	2010	2009	
<b><u>Operating Earnings</u></b> <sup>(1)</sup>			
Business Segments:			
Health Care	\$ 460.1	\$ 469.4	(2.0) %
Group Insurance	28.5	42.1	(32.3) %
Large Case Pensions	9.7	9.2	5.4 %
Total - Business Segments	498.3	520.7	(4.3) %
Corporate Financing <sup>(2)</sup>	(67.7)	(78.1)	(13.3) %
<b>Aetna Inc.</b>	<b>\$ 430.6</b>	<b>\$ 442.6</b>	<b>(2.7) %</b>
<b>Aetna Inc. per common share</b>	<b>\$ .98</b>	<b>\$ .96</b>	<b>2.1 %</b>
<b><u>Net Income</u></b>			
Aetna Inc.	\$ 562.6	\$ 437.8	28.5 %
Aetna Inc. per common share	\$ 1.28	\$ .95	34.7 %
Weighted average common shares - diluted	439.6	461.6	(4.8) %
<b><u>Operating Margin</u></b>			
Total Company - pretax operating margin <sup>(1)</sup>	8.7 %	8.8 %	(.1) pts.
Total Company - after-tax net income margin (GAAP measure)	6.5 %	5.1 %	1.4 pts.
<b><u>Revenue by Segment</u></b> <sup>(1)</sup>			
Health Care	\$ 7,873.2	\$ 7,952.3	(1.0) %
Group Insurance	529.9	527.2	.5 %
Large Case Pensions	141.7	140.0	1.2 %
Total Revenue	\$ 8,544.8	\$ 8,619.5	(0.9) %
<b>Operating Expense Ratio</b> <sup>(1)</sup>	18.6 %	18.0 %	.6 pts.
<b>Business Segment Operating Expense Ratio</b> <sup>(1)</sup>	18.1 %	17.3 %	.8 pts.

Refer to page 11 for an explanation of footnotes and definitions of terms used.

### Health Care and Group Insurance Statistics

(Millions)	Three Months Ended March 31,		Change
	2010	2009	
<b>Health Care</b>			
<b>Premiums</b>			
Commercial	\$ 5,143.4	\$ 5,322.0	(3.4) %
Medicare	1,519.3	1,461.1	4.0 %
Medicaid	232.4	209.1	11.1 %
<b>Health Care</b>	<b>\$ 6,895.1</b>	<b>\$ 6,992.2</b>	<b>(1.4) %</b>
<b>Health Care Costs</b>			
Commercial	\$ 4,169.4	\$ 4,346.3	(4.1) %
Medicare	1,322.0	1,268.3	4.2 %
Medicaid	199.6	189.6	5.3 %
<b>Health Care</b>	<b>\$ 5,691.0</b>	<b>\$ 5,804.2</b>	<b>(2.0) %</b>
<b>Medical Benefit Ratios ("MBR")</b>			
Commercial	81.1 %	81.7 %	(.6) pts.
Medicare	87.0 %	86.8 %	.2 pts.
Medicaid	85.9 %	90.7 %	(4.8) pts.
<b>Health Care</b>	<b>82.5 %</b>	<b>83.0 %</b>	<b>(.5) pts.</b>
<b>Group Insurance</b>			
Benefit ratio	92.5 %	86.3 %	6.2 pts.

<u>Days Claims Payable</u>	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009
	46.9	43.8	43.8	41.2	41.6

Refer to page 11 for an explanation of footnotes and definitions of terms used.

## Health Care Membership

(Thousands)	March 31, 2010			December 31, 2009			March 31, 2009		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
<b><u>Products</u></b>									
Medical:									
Commercial	5,198	11,978	17,176	5,614	11,821	17,435	5,656	12,060	17,716
Medicare	451	-	451	433	-	433	419	-	419
Medicaid	315	746	1,061	310	736	1,046	284	647	931
Total Medical	5,964	12,724	18,688	6,357	12,557	18,914	6,359	12,707	19,066
Consumer-Directed Health Plans <sup>(4)</sup>			2,206			1,868			1,795
Dental:									
Commercial	5,042	7,339	12,381	4,998	7,304	12,302	5,214	7,640	12,854
Medicare & Medicaid Network Access <sup>(5)</sup>	137	435	572	260	432	692	245	381	626
Network Access <sup>(5)</sup>	-	1,000	1,000	-	1,067	1,067	-	1,056	1,056
Total Dental	5,179	8,774	13,953	5,258	8,803	14,061	5,459	9,077	14,536
Pharmacy:									
Commercial			8,921			9,728			9,997
Medicare PDP (stand-alone)			601			346			322
Medicare Advantage PDP			233			240			223
Medicaid			30			30			26
Total Pharmacy Benefit Management Services			9,785			10,344			10,568
Mail Order <sup>(6)</sup>			625			669			672
Total Pharmacy			10,410			11,013			11,240
<b><u>Regions <sup>(7)</sup></u></b>									
Northeast	1,869	2,723	4,592	1,952	2,669	4,621	1,981	2,710	4,691
Southeast	1,181	2,928	4,109	1,302	2,826	4,128	1,311	2,916	4,227
Mid-America	1,330	4,589	5,919	1,426	4,423	5,849	1,415	4,462	5,877
West	1,289	2,350	3,639	1,391	2,521	3,912	1,384	2,492	3,876
Other	295	134	429	286	118	404	268	127	395
Total Medical	5,964	12,724	18,688	6,357	12,557	18,914	6,359	12,707	19,066
Percent of Total	31.9%	68.1%	100.0%	33.6%	66.4%	100.0%	33.4%	66.6%	100.0%

Refer to page 11 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 <sup>(2)</sup>	Consolidated
<b>Three Months Ended March 31, 2010</b>						
Revenue:						
Premiums	\$ 6,895.1	\$ 432.1	\$ 42.6	\$ 7,369.8	\$ -	\$ 7,369.8
Fees and other revenue	870.3	26.8	2.7	899.8	-	899.8
Net investment income	107.8	71.0	96.4	275.2	-	275.2
Total revenue, excluding net realized capital gains <sup>(1)</sup>	7,873.2	529.9	141.7	8,544.8	-	8,544.8
Benefits and expenses:						
Health care costs	5,691.0	-	-	5,691.0	-	5,691.0
Current and future benefits	-	399.5	127.5	527.0	-	527.0
Operating expenses:						
Selling expenses	298.2	23.3	-	321.5	-	321.5
General and administrative expenses, excluding an other item <sup>(1)</sup>	1,153.4	67.2	1.8	1,222.4	43.3	1,265.7
Total operating expenses	1,451.6	90.5	1.8	1,543.9	43.3	1,587.2
Interest expense	-	-	-	-	60.9	60.9
Amortization of other acquired intangible assets	22.7	1.7	-	24.4	-	24.4
Total benefits and expenses	7,165.3	491.7	129.3	7,786.3	104.2	7,890.5
Operating earnings (loss), excluding income taxes (benefits)	707.9	38.2	12.4	758.5	(104.2)	654.3
Income taxes (benefits)	247.8	9.7	2.7	260.2	(36.5)	223.7
Operating earnings (loss) <sup>(1)</sup>	460.1	28.5	9.7	498.3	(67.7)	430.6
Litigation-related insurance proceeds, net of tax <sup>(8)</sup>	45.5	-	-	45.5	-	45.5
Net realized capital gains, net of tax	56.3	24.9	5.3	86.5	-	86.5
Net income (loss)	\$ 561.9	\$ 53.4	\$ 15.0	\$ 630.3	\$ (67.7)	\$ 562.6
<b>Three Months Ended March 31, 2009</b>						
Revenue:						
Premiums	\$ 6,992.2	\$ 435.4	\$ 49.7	\$ 7,477.3	\$ -	\$ 7,477.3
Fees and other revenue	862.4	27.7	2.9	893.0	-	893.0
Net investment income	97.7	64.1	87.4	249.2	-	249.2
Total revenue, excluding net realized capital (losses) gains <sup>(1)</sup>	7,952.3	527.2	140.0	8,619.5	-	8,619.5
Benefits and expenses:						
Health care costs	5,804.2	-	-	5,804.2	-	5,804.2
Current and future benefits	-	375.6	127.7	503.3	-	503.3
Operating expenses:						
Selling expenses	299.1	23.4	-	322.5	-	322.5
General and administrative expenses	1,101.7	68.4	.9	1,171.0	58.8	1,229.8
Total operating expenses	1,400.8	91.8	.9	1,493.5	58.8	1,552.3
Interest expense	-	-	-	-	61.5	61.5
Amortization of other acquired intangible assets	22.8	1.7	-	24.5	-	24.5
Total benefits and expenses	7,227.8	469.1	128.6	7,825.5	120.3	7,945.8
Operating earnings (loss), excluding income taxes (benefits)	724.5	58.1	11.4	794.0	(120.3)	673.7
Income taxes (benefits)	255.1	16.0	2.2	273.3	(42.2)	231.1
Operating earnings (loss) <sup>(1)</sup>	469.4	42.1	9.2	520.7	(78.1)	442.6
Net realized capital (losses) gains, net of tax	(5.8)	4.0	(3.0)	(4.8)	-	(4.8)
Net income (loss)	\$ 463.6	\$ 46.1	\$ 6.2	\$ 515.9	\$ (78.1)	\$ 437.8

Refer to page 11 for an explanation of footnotes and definitions of terms used.

**Balance Sheets**

(Millions)	March 31, 2010			December 31, 2009		
	Health Care and Group Insurance	Large Case Pensions	Consolidated	Health Care and Group Insurance	Large Case Pensions	Consolidated
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 1,441.2	\$ 129.2	\$ 1,570.4	\$ 1,030.3	\$ 173.3	\$ 1,203.6
Investments	2,363.4	488.5	2,851.9	2,406.6	516.1	2,922.7
Premiums receivable, net	758.8	-	758.8	630.4	-	630.4
Other receivables, net	603.2	30.8	634.0	602.3	24.4	626.7
Accrued investment income	150.0	66.0	216.0	146.8	62.4	209.2
Collateral received under securities loan agreements	304.3	118.1	422.4	165.8	44.2	210.0
Income taxes receivable	-	-	-	30.4	59.1	89.5
Deferred income taxes	278.4	6.3	284.7	360.4	23.0	383.4
Other current assets	684.1	4.1	688.2	543.5	7.9	551.4
<b>Total current assets</b>	<b>6,583.4</b>	<b>843.0</b>	<b>7,426.4</b>	<b>5,916.5</b>	<b>910.4</b>	<b>6,826.9</b>
Long-term investments	12,208.5	5,601.0	17,809.5	11,554.9	5,496.2	17,051.1
Reinsurance recoverables	967.8	10.2	978.0	976.8	10.1	986.9
Goodwill	5,145.7	-	5,145.7	5,146.2	-	5,146.2
Other acquired intangible assets, net	566.3	-	566.3	590.7	-	590.7
Property and equipment, net	533.0	23.3	556.3	526.6	24.4	551.0
Deferred income taxes	217.4	133.1	350.5	209.3	124.1	333.4
Other long-term assets	770.6	-	770.6	781.1	-	781.1
Separate Accounts assets	-	5,369.5	5,369.5	-	6,283.1	6,283.1
<b>Total assets</b>	<b>\$ 26,992.7</b>	<b>\$ 11,980.1</b>	<b>\$ 38,972.8</b>	<b>\$ 25,702.1</b>	<b>\$ 12,848.3</b>	<b>\$ 38,550.4</b>
<b>Liabilities and shareholders' equity</b>						
Current liabilities:						
Health care costs payable	\$ 2,965.4	\$ -	\$ 2,965.4	\$ 2,895.3	\$ -	\$ 2,895.3
Future policy benefits	147.1	588.9	736.0	147.6	592.0	739.6
Unpaid claims	578.4	.6	579.0	558.9	.6	559.5
Unearned premiums	400.8	10.4	411.2	301.0	5.4	306.4
Policyholders' funds	800.0	31.9	831.9	753.6	34.7	788.3
Collateral payable under securities loan agreements	304.3	118.1	422.4	165.8	44.2	210.0
Short-term debt	479.6	-	479.6	480.8	-	480.8
Current portion of long term debt	449.7	-	449.7	-	-	-
Income taxes payable	157.7	(40.4)	117.3	-	-	-
Accrued expenses and other current liabilities	2,577.2	274.7	2,851.9	2,260.6	223.7	2,484.3
<b>Total current liabilities</b>	<b>8,860.2</b>	<b>984.2</b>	<b>9,844.4</b>	<b>7,563.6</b>	<b>900.6</b>	<b>8,464.2</b>
Future policy benefits	1,780.0	4,653.2	6,433.2	1,793.9	4,676.2	6,470.1
Unpaid claims	1,470.8	-	1,470.8	1,453.0	-	1,453.0
Policyholders' funds	598.6	708.5	1,307.1	598.0	696.1	1,294.1
Long-term debt	3,190.1	-	3,190.1	3,639.5	-	3,639.5
Other long-term liabilities	1,432.5	1.3	1,433.8	1,441.2	1.4	1,442.6
Separate Accounts liabilities	-	5,369.5	5,369.5	-	6,283.1	6,283.1
<b>Total liabilities</b>	<b>17,332.2</b>	<b>11,716.7</b>	<b>29,048.9</b>	<b>16,489.2</b>	<b>12,557.4</b>	<b>29,046.6</b>
<b>Shareholders' equity</b>	<b>9,660.5</b>	<b>263.4</b>	<b>9,923.9</b>	<b>9,212.9</b>	<b>290.9</b>	<b>9,503.8</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 26,992.7</b>	<b>\$ 11,980.1</b>	<b>\$ 38,972.8</b>	<b>\$ 25,702.1</b>	<b>\$ 12,848.3</b>	<b>\$ 38,550.4</b>

Refer to page 11 for an explanation of footnotes and definitions of terms used.

## Condensed Statements of Cash Flows

Three Months Ended

(Millions)	March 31, 2010			March 31, 2009		
	Health Care and Group Insurance	Large Case Pensions	Consolidated	Health Care and Group Insurance	Large Case Pensions	Consolidated
<b>Cash flows from operating activities:</b>						
Net income	\$ 547.6	\$ 15.0	\$ 562.6	\$ 431.6	\$ 6.2	\$ 437.8
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital (gains) losses	(71.6)	(5.1)	(76.7)	1.8	3.0	4.8
Depreciation and amortization	102.3	-	102.3	97.0	-	97.0
Equity in earnings of affiliates, net	2.8	(14.2)	(11.4)	7.5	2.7	10.2
Stock-based compensation expense	27.6	-	27.6	37.2	-	37.2
Accretion of net investment discount	(8.1)	(3.5)	(11.6)	(9.8)	(6.7)	(16.5)
Changes in assets and liabilities:						
Accrued investment income	(3.2)	(3.6)	(6.8)	2.6	1.4	4.0
Premiums due and other receivables	(93.4)	.1	(93.3)	(257.4)	.5	(256.9)
Income taxes	220.6	15.0	235.6	214.6	2.1	216.7
Other assets and other liabilities	(46.9)	(19.2)	(66.1)	(63.5)	(5.2)	(68.7)
Health care and insurance liabilities	222.1	(47.4)	174.7	414.6	(52.9)	361.7
Other, net	1.3	(.9)	.4	(.5)	(.5)	(1.0)
<b>Net cash provided by (used for) operating activities</b>	<b>901.1</b>	<b>(63.8)</b>	<b>837.3</b>	<b>875.7</b>	<b>(49.4)</b>	<b>826.3</b>
<b>Cash flows from investing activities:</b>						
Proceeds from sales and maturities of investments	1,987.0	475.2	2,462.2	1,876.4	614.3	2,490.7
Cost of investments purchased	(2,276.7)	(409.7)	(2,686.4)	(1,968.1)	(319.2)	(2,287.3)
Increase in property, equipment and software	(74.5)	-	(74.5)	(88.6)	-	(88.6)
Cash used for acquisitions, net of cash acquired	(.1)	-	(.1)	-	-	-
<b>Net cash (used for) provided by investing activities</b>	<b>(364.3)</b>	<b>65.5</b>	<b>(298.8)</b>	<b>(180.3)</b>	<b>295.1</b>	<b>114.8</b>
<b>Cash flows from financing activities:</b>						
Net repayment of short-term debt	(1.3)	-	(1.3)	(114.8)	-	(114.8)
Deposits and interest credited for investment contracts	-	1.6	1.6	-	1.9	1.9
Withdrawals of investment contracts	-	(3.7)	(3.7)	-	(3.9)	(3.9)
Common shares issued under benefit plans	3.6	-	3.6	3.7	-	3.7
Stock-based compensation tax benefits	(1.0)	-	(1.0)	3.6	-	3.6
Common shares repurchased	(162.0)	-	(162.0)	(263.8)	-	(263.8)
Intersegment dividend	43.8	(43.8)	-	147.7	(147.7)	-
Collateral held on interest rate swaps	(8.9)	-	(8.9)	-	-	-
Other, net	(.1)	.1	-	(1.1)	1.1	-
<b>Net cash used for financing activities</b>	<b>(125.9)</b>	<b>(45.8)</b>	<b>(171.7)</b>	<b>(224.7)</b>	<b>(148.6)</b>	<b>(373.3)</b>
Net increase (decrease) in cash and cash equivalents	410.9	(44.1)	366.8	470.7	97.1	567.8
Cash and cash equivalents, beginning of period	1,030.3	173.3	1,203.6	1,023.5	156.0	1,179.5
<b>Cash and cash equivalents, end of period</b>	<b>\$ 1,441.2</b>	<b>\$ 129.2</b>	<b>\$ 1,570.4</b>	<b>\$ 1,494.2</b>	<b>\$ 253.1</b>	<b>\$ 1,747.3</b>

Refer to page 11 for an explanation of footnotes and definitions of terms used.

**Investment Portfolio**  
At March 31, 2010

(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
<b>Debt and equity securities:</b>								
Debt securities:								
U.S. government securities	\$ 1,783.9	\$ 25.9	\$ 1,809.8	10.8%	\$ 193.2	3.5%	\$ 2,003.0	9.0%
States, municipalities and political subdivisions	2,107.7	8.3	2,116.0	12.7%	104.0	1.9%	2,220.0	10.0%
U.S. corporate securities	4,738.6	243.4	4,982.0	29.8%	2,337.3	42.3%	7,319.3	32.9%
Foreign securities	1,998.5	91.7	2,090.2	12.5%	795.8	14.4%	2,886.0	13.0%
Residential mortgage-backed securities	1,192.1	145.4	1,337.5	8.0%	51.0	.9%	1,388.5	6.2%
Commercial mortgage-backed securities	785.2	48.7	833.9	5.0%	320.7	5.8%	1,154.6	5.2%
Other asset-backed securities	410.7	43.8	454.5	2.7%	40.3	.8%	494.8	2.2%
Redeemable preferred securities	164.7	17.1	181.8	1.1%	161.0	2.9%	342.8	1.5%
Total debt securities	13,181.4	624.3	13,805.7	82.6%	4,003.3	72.5%	17,809.0	80.0%
Equity securities	1.3	-	1.3	.1%	38.5	.7%	39.8	.2%
<b>Total debt and equity securities</b>	<b>13,182.7</b>	<b>624.3</b>	<b>13,807.0</b>	<b>82.7%</b>	<b>4,041.8</b>	<b>73.2%</b>	<b>17,848.8</b>	<b>80.2%</b>
<b>Mortgage loans</b>	<b>795.5</b>	<b>13.1</b>	<b>808.6</b>	<b>4.8%</b>	<b>747.4</b>	<b>13.5%</b>	<b>1,556.0</b>	<b>7.0%</b>
<b>Other investments:</b>								
Real estate	99.8	.4	100.2	.6%	71.8	1.3%	172.0	.8%
Hedge funds	166.2	-	166.2	1.0%	358.8	6.5%	525.0	2.4%
Private equity	98.4	7.7	106.1	.6%	222.1	4.0%	328.2	1.5%
Other	229.3	2.1	231.4	1.4%	-	-	231.4	1.0%
<b>Total other investments</b>	<b>593.7</b>	<b>10.2</b>	<b>603.9</b>	<b>3.6%</b>	<b>652.7</b>	<b>11.8%</b>	<b>1,256.6</b>	<b>5.7%</b>
<b>Total investments</b>	<b>14,571.9</b>	<b>647.6</b>	<b>15,219.5</b>	<b>91.1%</b>	<b>5,441.9</b>	<b>98.5%</b>	<b>20,661.4</b>	<b>92.9%</b>
<b>Cash and cash equivalents</b>	<b>1,441.2</b>	<b>46.4</b>	<b>1,487.6</b>	<b>8.9%</b>	<b>82.8</b>	<b>1.5%</b>	<b>1,570.4</b>	<b>7.1%</b>
<b>Total investments, cash and cash equivalents</b>	<b>\$ 16,013.1</b>	<b>\$ 694.0</b>	<b>\$ 16,707.1</b>		<b>\$ 5,524.7</b>		<b>\$ 22,231.8</b>	
<b>Average credit quality</b>	<b>A+</b>	<b>A</b>	<b>A+</b>		<b>A</b>		<b>A+</b>	

Refer to page 11 for an explanation of footnotes and definitions of terms used.

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

	Three Months Ended	
	March 31, 2010	March 31, 2009
<b>(Millions, except per common share data)</b>		
<b>Summary of Results</b>		
Operating earnings, excluding prior-period development <sup>(3)</sup>	\$ 337.4	\$ 467.1
Favorable (unfavorable) development of prior-period health care cost estimates	93.2	(24.5)
Operating earnings	430.6	442.6
Litigation-related insurance proceeds <sup>(8)</sup>	45.5	-
Net realized capital gains (losses)	86.5	(4.8)
Net income (GAAP measure)	\$ 562.6	\$ 437.8
Weighted average common shares - diluted	439.6	461.6
<b>Summary of Results Per Common Share</b>		
Operating earnings, excluding prior-period development <sup>(3)</sup>	\$ .77	\$ 1.01
Favorable (unfavorable) development of prior-period health care cost estimates	.21	(.05)
Operating earnings	.98	.96
Litigation-related insurance proceeds <sup>(8)</sup>	.10	-
Net realized capital gains (losses)	.20	(.01)
Net income (GAAP measure)	\$ 1.28	\$ .95
<b>Health Care and Group Insurance Operating Cash Flows as a Percentage of Operating Earnings</b>		
Net cash provided by operating activities: Health Care, Group Insurance and Corporate Financing	\$ 901.1	\$ 875.7
Operating earnings: Health Care, Group Insurance and Corporate Financing excluding Corporate Financing pension expense	449.0	471.6
Corporate Financing pension expense <sup>(2)</sup>	(28.1)	(38.2)
Operating earnings: Health Care, Group Insurance and Corporate Financing	420.9	433.4
Litigation-related insurance proceeds, net of tax <sup>(8)</sup>	45.5	-
Net realized capital gains (losses), net of tax	81.2	(1.8)
Net income: Health Care, Group Insurance and Corporate Financing	\$ 547.6	\$ 431.6
Operating cash flow as a percentage of operating earnings excluding Corporate Financing pension expense	200.7%	185.7%
Operating cash flow as a percentage of net income	164.6%	202.9%

Refer to page 11 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	
	March 31, 2010	March 31, 2009
<b>Health Care</b>		
<b>Reconciliation of Revenue</b>		
Revenue, excluding net realized capital gains (losses)	\$ 7,873.2	\$ 7,952.3
Net realized capital gains (losses)	45.4	(5.8)
<b>Total revenue (GAAP measure)</b>	<b>\$ 7,918.6</b>	<b>\$ 7,946.5</b>
<b>Commercial Medical Benefit Ratio, Excluding Prior-Period Development <sup>(3)</sup></b>		
Premiums	\$ 5,143.4	\$ 5,322.0
Health care costs (GAAP measure)	4,169.4	4,346.3
Favorable (unfavorable) development of prior-period health care cost estimates	92.5	(37.7)
<b>Health care costs, excluding prior-period development <sup>(3)</sup></b>	<b>\$ 4,261.9</b>	<b>\$ 4,308.6</b>
Commercial MBR, excluding prior-period development <sup>(3)</sup>	82.9%	81.0%
<b>Group Insurance</b>		
<b>Reconciliation of Revenue</b>		
Revenue, excluding net realized capital gains	\$ 529.9	\$ 527.2
Net realized capital gains	26.2	4.0
<b>Total revenue (GAAP measure)</b>	<b>\$ 556.1</b>	<b>\$ 531.2</b>
<b>Large Case Pensions</b>		
<b>Reconciliation of Revenue</b>		
Revenue, excluding net realized capital gains (losses)	\$ 141.7	\$ 140.0
Net realized capital gains (losses)	5.1	(3.0)
<b>Total revenue (GAAP measure)</b>	<b>\$ 146.8</b>	<b>\$ 137.0</b>
<b>Total Company</b>		
<b>Reconciliation of Revenue</b>		
Revenue, excluding net realized capital gains (losses)	(A) \$ 8,544.8	\$ 8,619.5
Net realized capital gains (losses)	76.7	(4.8)
<b>Total revenue (GAAP measure)</b>	<b>(B) \$ 8,621.5</b>	<b>\$ 8,614.7</b>
<b>Reconciliation of Operating Expenses</b>		
Business segment operating expenses	(C) \$ 1,543.9	\$ 1,493.5
Corporate Financing segment operating expenses	43.3	58.8
Operating expenses, including Corporate Financing	(D) 1,587.2	1,552.3
Litigation-related insurance proceeds <sup>(8)</sup>	(70.0)	-
<b>Total operating expenses (GAAP measure)</b>	<b>(E) \$ 1,517.2</b>	<b>\$ 1,552.3</b>
<b>Operating Expense Ratios:</b>		
Operating expense ratio <sup>(1)</sup>	(D)/(A)	18.6 %
Business segment operating expense ratio <sup>(1)</sup>	(C)/(A)	18.0 %
Total operating expense ratio (GAAP measure)	(E)/(B)	17.3 %
		18.0 %

Refer to page 11 for an explanation of footnotes and definitions of terms used.

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

<b>(Millions)</b>	<b>Three Months Ended</b>		
	<b>March 31, 2010</b>	<b>March 31, 2009</b>	
<b>Reconciliation to Income Before Income Taxes</b>			
Operating earnings, excluding prior-period development <sup>(3)</sup> before income taxes, excluding interest expense, and amortization of other acquired intangible assets	(A)	\$ 596.2	\$ 797.4
Favorable (unfavorable) development of prior-period health care cost estimates		143.4	(37.7)
Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets	(B)	739.6	759.7
Interest expense		(60.9)	(61.5)
Amortization of other acquired intangible assets		(24.4)	(24.5)
Litigation-related insurance proceeds <sup>(8)</sup>		70.0	-
Net realized capital gains (losses)		76.7	(4.8)
<b>Income before income taxes (GAAP measure)</b>		<b>\$ 801.0</b>	<b>\$ 668.9</b>
<b>Reconciliation to Net Income</b>			
Operating earnings, excluding prior-period development <sup>(3)</sup> , excluding interest expense, and amortization of other acquired intangible assets	(C)	\$ 392.9	\$ 522.9
Favorable (unfavorable) development of prior-period health care cost estimates		93.2	(24.5)
Operating earnings, excluding interest expense and amortization of other acquired intangible assets		486.1	498.4
Interest expense, net of tax		(39.6)	(39.9)
Amortization of other acquired intangible assets, net of tax		(15.9)	(15.9)
Litigation-related insurance proceeds, net of tax <sup>(8)</sup>		45.5	-
Net realized capital gains (losses), net of tax		86.5	(4.8)
<b>Net income (GAAP measure)</b>	(D)	<b>\$ 562.6</b>	<b>\$ 437.8</b>
<b>Reconciliation of Revenue</b>			
Revenue, excluding net realized capital gains (losses)	(E)	\$ 8,544.8	\$ 8,619.5
Net realized capital gains (losses)		76.7	(4.8)
<b>Total revenue (GAAP measure)</b>	(F)	<b>\$ 8,621.5</b>	<b>\$ 8,614.7</b>
<b>Operating Margin</b>			
Total Company - pretax operating margin, excluding prior-period development <sup>(3)</sup>	(A)/(E)	7.0 %	9.3 %
Total Company - pretax operating margin <sup>(1)</sup>	(B)/(E)	8.7 %	8.8 %
Total Company - after-tax operating margin, excluding prior-period development <sup>(3)</sup>	(C)/(E)	4.6 %	6.1 %
Total Company - after-tax net income margin (GAAP measure)	(D)/(F)	6.5 %	5.1 %

Refer to page 11 for an explanation of footnotes and definitions of terms used.

## Footnotes

<sup>(1)</sup> 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 8-10.

<sup>(2)</sup> The Corporate Financing segment includes interest expense on our outstanding debt and 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 months ended March 31, 2010 and 2009.

<u>(Millions)</u>	<u>Three Months Ended March 31,</u>	
	<u>2010</u>	<u>2009</u>
<b><u>Pretax - Pension Expense</u></b>		
Operating component (allocated by business segments)	\$ 14.0	\$ 10.6
Financing component (allocated to Corporate Financing segment)	43.3	58.8
<u>Total pension expense - pretax</u>	<u>\$ 57.3</u>	<u>\$ 69.4</u>
<b><u>After tax - Pension Expense</u></b>		
Operating component (allocated by business segments)	\$ 9.1	\$ 6.9
Financing component (allocated to Corporate Financing segment)	28.1	38.2
<u>Total pension expense - after tax</u>	<u>\$ 37.2</u>	<u>\$ 45.1</u>

<sup>(3)</sup> Operating earnings, excluding prior-period development; operating earnings per share, excluding prior-period development; pretax operating margin, excluding prior-period development; health care costs, excluding prior-period development; and medical benefit ratios, excluding prior-period development; each exclude the items noted in <sup>(1)</sup> above, if applicable, and any significant development of prior-period health care cost estimates.

<sup>(4)</sup> Represents members in consumer-directed health plans included in our Commercial medical membership.

<sup>(5)</sup> Represents members in products that allow these members access to our dental provider network for a nominal fee.

<sup>(6)</sup> Represents members who purchased medications through our mail order pharmacy operations during the quarterly period and included in pharmacy membership.

<sup>(7)</sup> In November 2009, Aetna announced a new operating model to better prepare for future growth. As a result of this new operating model, effective January 1, 2010, Aetna has established five primary geographic regions: Northeast, Southeast, Mid-America, West and Other. Prior period membership amounts have been reclassified to reflect this change.

<sup>(8)</sup> Following a Pennsylvania Supreme Court ruling in June 2009, we received \$45.5 million (\$70.0 million pretax) in April 2010 from one of our liability insurers related to certain litigation we settled in 2003. We are continuing to litigate similar claims against certain of our other liability insurers.

## 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, 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 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.