

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 third quarter 2009 earnings press release issued on October 29, 2009 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended September 30, 2009 to be 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 September 30,			Nine Months Ended September 30,		
	2009	2008	Change	2009	2008	Change
<u>Operating Earnings</u> ⁽¹⁾						
Business Segments:						
Health Care	\$ 345.7	\$ 496.8	(30.4) %	\$ 1,151.1	\$ 1,366.3	(15.8) %
Group Insurance	33.3	46.4	(28.2) %	117.9	119.1	(1.0) %
Large Case Pensions	6.7	8.8	(23.9) %	23.6	26.8	(11.9) %
Total - Business Segments	385.7	552.0	(30.1) %	1,292.6	1,512.2	(14.5) %
Corporate Financing	(77.5)	(15.3)	(406.5) %	(233.3)	(39.6)	(489.1) %
Aetna Inc.	\$ 308.2	\$ 536.7	(42.6) %	\$ 1,059.3	\$ 1,472.6	(28.1) %
Aetna Inc. per common share	\$.69	\$ 1.12	(38.4) %	\$ 2.34	\$ 2.97	(21.2) %
<u>Net Income</u>						
Aetna Inc.	\$ 326.2	\$ 277.3	17.6 %	\$ 1,110.6	\$ 1,189.4	(6.6) %
Aetna Inc. per common share	\$.73	\$.58	25.9 %	\$ 2.46	\$ 2.40	2.5 %
Weighted average common shares - diluted	444.6	480.3	(7.4) %	452.2	495.0	(8.6) %
<u>Operating Margin</u>						
Business Segments - pretax operating margin ⁽¹⁾	6.9 %	10.9 %	(4.0) pts.	7.8 %	10.1 %	(2.3) pts.
Total Company - pretax operating margin ⁽¹⁾	6.3 %	11.4 %	(5.1) pts.	7.1 %	10.6 %	(3.5) pts.
Total Company - after-tax net income margin	3.7 %	3.6 %	.1 pts.	4.3 %	5.1 %	(.8) pts.
<u>Revenue by Segment</u> ⁽¹⁾						
Health Care	\$ 8,037.8	\$ 7,346.2	9.4 %	\$ 23,978.0	\$ 21,669.4	10.7 %
Group Insurance	528.2	511.2	3.3 %	1,591.1	1,527.5	4.2 %
Large Case Pensions	138.4	124.0	11.6 %	412.4	431.9	(4.5) %
Total Revenue	\$ 8,704.4	\$ 7,981.4	9.1 %	\$ 25,981.5	\$ 23,628.8	10.0 %
Operating Expense Ratio ⁽¹⁾	18.1 %	17.4 %	.7 pts.	17.8 %	17.7 %	.1 pts.
Business Segment Operating Expense Ratio ⁽¹⁾	17.4 %	17.9 %	(.5) pts.	17.1 %	18.2 %	(1.1) pts.

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Health Care and Group Insurance Statistics

(Millions)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2009	2008	Change	2009	2008	Change
Health Care						
Premiums						
Commercial	\$ 5,415.5	\$ 5,086.6	6.5 %	\$ 16,107.5	\$ 14,924.4	7.9 %
Medicare	1,434.2	1,209.9	18.5 %	4,313.2	3,631.7	18.8 %
Medicaid	243.1	154.3	57.6 %	694.8	437.1	59.0 %
Health Care	\$ 7,092.8	\$ 6,450.8	10.0 %	\$ 21,115.5	\$ 18,993.2	11.2 %
Health Care Costs						
Commercial	\$ 4,633.8	\$ 4,086.7	13.4 %	\$ 13,591.1	\$ 11,974.6	13.5 %
Medicare	1,225.2	1,004.8	21.9 %	3,761.2	3,098.2	21.4 %
Medicaid	210.6	125.1	68.3 %	623.9	383.3	62.8 %
Health Care	\$ 6,069.6	\$ 5,216.6	16.4 %	\$ 17,976.2	\$ 15,456.1	16.3 %
Medical Benefit Ratios ("MBR")						
Commercial	85.6 %	80.3 %	5.3 pts.	84.4 %	80.2 %	4.2 pts.
Medicare	85.4 %	83.0 %	2.4 pts.	87.2 %	85.3 %	1.9 pts.
Medicaid	86.6 %	81.1 %	5.5 pts.	89.8 %	87.7 %	2.1 pts.
Health Care	85.6 %	80.9 %	4.7 pts.	85.1 %	81.4 %	3.7 pts.
Group Insurance						
Benefit ratio	90.2 %	83.8 %	6.4 pts.	87.8 %	86.2 %	1.6 pts.
	September 30,	June 30,	March 31,	December 31,	September 30,	
	2009	2009	2009	2008	2008	
Days Claims Payable	43.8	41.2	41.6	41.3	42.9	

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Health Care Membership

(Thousands)	September 30, 2009			June 30, 2009			December 31, 2008			September 30, 2008		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
Products												
Medical:												
Commercial	5,676	11,906	17,582	5,692	11,960	17,652	5,595	10,893	16,488	5,525	10,931	16,456
Medicare	428	-	428	423	-	423	366	-	366	365	-	365
Medicaid	300	717	1,017	291	686	977	207	640	847	180	667	847
Total Medical	6,404	12,623	19,027	6,406	12,646	19,052	6,168	11,533	17,701	6,070	11,598	17,668
Consumer-Directed Health Plans ⁽²⁾			1,862			1,827			1,431			1,412
Dental:												
Commercial	5,032	7,436	12,468	5,262	7,509	12,771	5,012	7,494	12,506	4,995	7,543	12,538
Medicare & Medicaid	254	422	676	249	404	653	229	374	603	226	402	628
Network Access ⁽³⁾	-	1,039	1,039	-	1,145	1,145	-	1,015	1,015	-	951	951
Total Dental	5,286	8,897	14,183	5,511	9,058	14,569	5,241	8,883	14,124	5,221	8,896	14,117
Pharmacy:												
Commercial			9,882			9,969			9,846			9,809
Medicare PDP (stand-alone)			338			328			375			372
Medicare Advantage PDP			233			227			195			193
Medicaid			29			27			25			23
Total Pharmacy Benefit Management Services			10,482			10,551			10,441			10,397
Mail Order ⁽⁴⁾			673			683			657			657
Total Pharmacy			11,155			11,234			11,098			11,054
Regions												
Northeast	1,205	1,646	2,851	1,239	1,660	2,899	1,138	1,533	2,671	1,116	1,541	2,657
Mid-Atlantic	1,105	1,908	3,013	1,088	1,894	2,982	1,062	1,776	2,838	1,067	1,772	2,839
Southeast	967	1,989	2,956	980	2,025	3,005	969	1,814	2,783	963	1,819	2,782
North Central	906	2,495	3,401	895	2,494	3,389	877	2,227	3,104	880	2,245	3,125
Southwest	675	2,312	2,987	675	2,306	2,981	683	2,058	2,741	684	2,065	2,749
West	1,264	2,148	3,412	1,266	2,142	3,408	1,181	1,990	3,171	1,121	2,022	3,143
Other	282	125	407	263	125	388	258	135	393	239	134	373
Total Medical	6,404	12,623	19,027	6,406	12,646	19,052	6,168	11,533	17,701	6,070	11,598	17,668
Percent of Total	33.7%	66.3%	100.0%	33.6%	66.4%	100.0%	34.8%	65.2%	100.0%	34.4%	65.6%	100.0%

Refer to page 13 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⁽⁵⁾	Consolidated
Three Months Ended September 30, 2009						
Revenue:						
Premiums	\$ 7,092.8	\$ 430.7	\$ 40.7	\$ 7,564.2	\$ -	\$ 7,564.2
Fees and other revenue	847.6	26.4	2.8	876.8	-	876.8
Net investment income	97.4	71.1	94.9	263.4	-	263.4
Total revenue, excluding net realized capital gains (losses) ⁽¹⁾	8,037.8	528.2	138.4	8,704.4	-	8,704.4
Benefits and expenses:						
Health care costs	6,069.6	-	-	6,069.6	-	6,069.6
Current and future benefits	-	388.3	126.2	514.5	-	514.5
Operating expenses:						
Selling expenses	289.7	22.5	-	312.2	-	312.2
General and administrative expenses	1,132.0	69.1	3.6	1,204.7	58.6	1,263.3
Total operating expenses	1,421.7	91.6	3.6	1,516.9	58.6	1,575.5
Interest expense	-	-	-	-	60.6	60.6
Amortization of other acquired intangible assets	22.2	1.7	-	23.9	-	23.9
Total benefits and expenses	7,513.5	481.6	129.8	8,124.9	119.2	8,244.1
Operating earnings (loss), excluding income taxes (benefits)	524.3	46.6	8.6	579.5	(119.2)	460.3
Income taxes (benefits)	178.6	13.3	1.9	193.8	(41.7)	152.1
Operating earnings (loss)	345.7	33.3	6.7	385.7	(77.5)	308.2
Net realized capital gains (losses), net of tax	10.8	12.9	(5.7)	18.0	-	18.0
Net income (loss)	\$ 356.5	\$ 46.2	\$ 1.0	\$ 403.7	\$ (77.5)	\$ 326.2
Three Months Ended September 30, 2008						
Revenue:						
Premiums	\$ 6,450.8	\$ 424.2	\$ 42.5	\$ 6,917.5	\$ -	\$ 6,917.5
Fees and other revenue	806.9	24.3	2.9	834.1	-	834.1
Net investment income	88.5	62.7	78.6	229.8	-	229.8
Total revenue, excluding net realized capital losses ⁽¹⁾	7,346.2	511.2	124.0	7,981.4	-	7,981.4
Benefits and expenses:						
Health care costs	5,216.6	-	-	5,216.6	-	5,216.6
Current and future benefits	-	355.3	109.4	464.7	-	464.7
Operating expenses:						
Selling expenses	259.0	23.2	-	282.2	-	282.2
General and administrative expenses, excluding other item ⁽¹⁾	1,076.9	66.7	3.6	1,147.2	(36.9)	1,110.3
Total operating expenses	1,335.9	89.9	3.6	1,429.4	(36.9)	1,392.5
Interest expense	-	-	-	-	60.5	60.5
Amortization of other acquired intangible assets	23.7	1.7	-	25.4	-	25.4
Total benefits and expenses	6,576.2	446.9	113.0	7,136.1	23.6	7,159.7
Operating earnings (loss), excluding income taxes (benefits)	770.0	64.3	11.0	845.3	(23.6)	821.7
Income taxes (benefits)	273.2	17.9	2.2	293.3	(8.3)	285.0
Operating earnings (loss)	496.8	46.4	8.8	552.0	(15.3)	536.7
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾	-	(27.4)	-	(27.4)	-	(27.4)
Net realized capital losses, net of tax	(138.9)	(76.5)	(16.6)	(232.0)	-	(232.0)
Net income (loss)	\$ 357.9	\$ (57.5)	\$ (7.8)	\$ 292.6	\$ (15.3)	\$ 277.3

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Statements of Net Income (Loss) by Segment (Continued)

(Millions)	Health Care	Group Insurance	Large Case Pensions	Total Business Segments	Corporate Financing ⁽⁵⁾	Consolidated
Nine Months Ended September 30, 2009						
Revenue:						
Premiums	\$ 21,115.5	\$ 1,304.6	\$ 127.8	\$ 22,547.9	\$ -	\$ 22,547.9
Fees and other revenue	2,571.8	81.9	8.5	2,662.2	-	2,662.2
Net investment income	290.7	204.6	276.1	771.4	-	771.4
Total revenue, excluding net realized capital gains (losses) ⁽¹⁾	23,978.0	1,591.1	412.4	25,981.5	-	25,981.5
Benefits and expenses:						
Health care costs	17,976.2	-	-	17,976.2	-	17,976.2
Current and future benefits	-	1,145.5	376.1	1,521.6	-	1,521.6
Operating expenses:						
Selling expenses	869.1	69.4	-	938.5	-	938.5
General and administrative expenses, excluding other item ⁽¹⁾	3,299.6	209.0	6.8	3,515.4	176.1	3,691.5
Total operating expenses	4,168.7	278.4	6.8	4,453.9	176.1	4,630.0
Interest expense	-	-	-	-	182.8	182.8
Amortization of other acquired intangible assets	67.8	5.1	-	72.9	-	72.9
Total benefits and expenses	22,212.7	1,429.0	382.9	24,024.6	358.9	24,383.5
Operating earnings (loss), excluding income taxes (benefits)	1,765.3	162.1	29.5	1,956.9	(358.9)	1,598.0
Income taxes (benefits)	614.2	44.2	5.9	664.3	(125.6)	538.7
Operating earnings (loss)	1,151.1	117.9	23.6	1,292.6	(233.3)	1,059.3
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	24.9	-	-	24.9	-	24.9
Net realized capital gains (losses), net of tax	6.9	26.4	(6.9)	26.4	-	26.4
Net income (loss)	\$ 1,182.9	\$ 144.3	\$ 16.7	\$ 1,343.9	\$ (233.3)	\$ 1,110.6
Nine Months Ended September 30, 2008						
Revenue:						
Premiums	\$ 18,993.2	\$ 1,261.9	\$ 153.3	\$ 20,408.4	\$ -	\$ 20,408.4
Fees and other revenue	2,406.3	73.4	9.0	2,488.7	-	2,488.7
Net investment income	269.9	192.2	269.6	731.7	-	731.7
Total revenue, excluding net realized capital losses ⁽¹⁾	21,669.4	1,527.5	431.9	23,628.8	-	23,628.8
Benefits and expenses:						
Health care costs	15,456.1	-	-	15,456.1	-	15,456.1
Current and future benefits	-	1,087.2	387.2	1,474.4	-	1,474.4
Operating expenses:						
Selling expenses	789.6	72.0	-	861.6	-	861.6
General and administrative expenses, excluding other item ⁽¹⁾	3,230.8	198.1	11.4	3,440.3	(110.5)	3,329.8
Total operating expenses	4,020.4	270.1	11.4	4,301.9	(110.5)	4,191.4
Interest expense	-	-	-	-	171.5	171.5
Amortization of other acquired intangible assets	75.3	5.2	-	80.5	-	80.5
Total benefits and expenses	19,551.8	1,362.5	398.6	21,312.9	61.0	21,373.9
Operating earnings (loss), excluding income taxes (benefits)	2,117.6	165.0	33.3	2,315.9	(61.0)	2,254.9
Income taxes (benefits)	751.3	45.9	6.5	803.7	(21.4)	782.3
Operating earnings (loss)	1,366.3	119.1	26.8	1,512.2	(39.6)	1,472.6
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾	-	(27.4)	-	(27.4)	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁸⁾	-	-	28.5	28.5	-	28.5
Net realized capital losses, net of tax	(159.5)	(100.9)	(23.9)	(284.3)	-	(284.3)
Net income (loss)	\$ 1,206.8	\$ (9.2)	\$ 31.4	\$ 1,229.0	\$ (39.6)	\$ 1,189.4

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Balance Sheets

(Millions)	September 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	\$ 1,531.5	\$ 298.6	\$ 1,830.1	\$ 1,023.5	\$ 156.0	\$ 1,179.5
Investments	1,597.4	528.3	2,125.7	542.8	163.2	706.0
Premiums receivable, net	687.9	-	687.9	616.4	-	616.4
Other receivables, net	661.6	17.6	679.2	521.4	32.9	554.3
Accrued investment income	138.1	64.7	202.8	126.1	67.5	193.6
Collateral received under securities loan agreements	381.4	86.8	468.2	538.8	210.8	749.6
Income taxes receivable	42.9	78.7	121.6	121.1	43.8	164.9
Deferred income taxes	375.2	64.2	439.4	257.5	44.0	301.5
Other current assets	542.4	3.1	545.5	448.3	4.3	452.6
Total current assets	5,958.4	1,142.0	7,100.4	4,195.9	722.5	4,918.4
Long-term investments	11,414.6	5,429.5	16,844.1	10,412.4	5,751.0	16,163.4
Reinsurance recoverables	981.2	10.1	991.3	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	594.5	-	594.5	667.4	-	667.4
Property and equipment, net	504.4	28.2	532.6	433.0	34.5	467.5
Deferred income taxes	81.7	68.5	150.2	551.6	227.1	778.7
Other long-term assets	782.1	-	782.1	841.3	-	841.3
Separate Accounts assets	1.3	6,049.1	6,050.4	1.6	5,918.3	5,919.9
Total assets	\$ 25,407.6	\$ 12,727.4	\$ 38,135.0	\$ 23,189.5	\$ 12,663.0	\$ 35,852.5
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 2,890.7	\$ -	\$ 2,890.7	\$ 2,393.2	\$ -	\$ 2,393.2
Future policy benefits	134.8	594.0	728.8	145.1	614.6	759.7
Unpaid claims	573.0	.8	573.8	559.0	.8	559.8
Unearned premiums	286.5	6.1	292.6	232.1	6.5	238.6
Policyholders' funds	754.6	42.5	797.1	712.4	42.0	754.4
Collateral payable under securities loan agreements	381.4	86.8	468.2	538.8	210.8	749.6
Short-term debt	109.8	-	109.8	215.7	-	215.7
Accrued expenses and other current liabilities	2,322.8	241.4	2,564.2	1,799.0	84.8	1,883.8
Total current liabilities	7,453.6	971.6	8,425.2	6,595.3	959.5	7,554.8
Future policy benefits	1,819.3	4,734.9	6,554.2	1,926.9	4,838.5	6,765.4
Unpaid claims	1,348.3	-	1,348.3	1,271.2	-	1,271.2
Policyholders' funds	603.2	687.5	1,290.7	618.9	552.8	1,171.7
Long-term debt	3,639.2	-	3,639.2	3,638.3	-	3,638.3
Other long-term liabilities	1,285.4	1.6	1,287.0	1,328.1	16.7	1,344.8
Separate Accounts liabilities	1.3	6,049.1	6,050.4	1.6	5,918.3	5,919.9
Total liabilities	16,150.3	12,444.7	28,595.0	15,380.3	12,285.8	27,666.1
Shareholders' equity	9,257.3	282.7	9,540.0	7,809.2	377.2	8,186.4
Total liabilities and shareholders' equity	\$ 25,407.6	\$ 12,727.4	\$ 38,135.0	\$ 23,189.5	\$ 12,663.0	\$ 35,852.5

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows

(Millions)	Three Months Ended					
	September 30, 2009			September 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	\$ 325.2	\$ 1.0	\$ 326.2	\$ 285.1	\$ (7.8)	\$ 277.3
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital (gains) losses	(23.7)	5.7	(18.0)	331.3	25.5	356.8
Depreciation and amortization	105.9	-	105.9	94.0	-	94.0
Equity in earnings of affiliates, net	7.6	(11.4)	(3.8)	15.0	16.3	31.3
Stock-based compensation expense	25.4	-	25.4	24.7	-	24.7
Accretion of net investment discount	(14.8)	(4.3)	(19.1)	(.6)	(4.6)	(5.2)
Changes in assets and liabilities:						
Accrued investment income	(4.9)	(1.2)	(6.1)	(2.4)	.1	(2.3)
Premiums due and other receivables	137.4	(.8)	136.6	29.3	24.2	53.5
Income taxes	19.6	3.0	22.6	(58.9)	(9.7)	(68.6)
Other assets and other liabilities	330.1	(15.9)	314.2	45.7	(22.4)	23.3
Health care and insurance liabilities	102.5	(55.0)	47.5	(31.0)	(87.3) ⁽⁸⁾	(118.3)
Other, net	(3.7)	1.4	(2.3)	2.2	(.4)	1.8
Net cash provided by (used for) operating activities	1,006.6	(77.5)	929.1	734.4	(66.1)	668.3
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	2,098.9	654.1	2,753.0	2,464.4	352.4	2,816.8
Cost of investments purchased	(2,334.0)	(430.0)	(2,764.0)	(2,973.3)	(196.1)	(3,169.4)
Increase in property, equipment and software	(91.1)	-	(91.1)	(111.7)	-	(111.7)
Net cash (used for) provided by investing activities	(326.2)	224.1	(102.1)	(620.6)	156.3	(464.3)
Cash flows from financing activities:						
Proceeds from issuance of long-term debt, net of issuance costs	-	-	-	484.8	-	484.8
Net repayment of short-term debt	(84.8)	-	(84.8)	(150.3)	(3.5)	(153.8)
Deposits and interest credited for investment contracts	-	1.5	1.5	-	1.8	1.8
Withdrawals of investment contracts	-	(1.0)	(1.0)	-	(2.1)	(2.1)
Common shares issued under benefit plans	7.1	-	7.1	10.9	-	10.9
Stock-based compensation tax benefits	4.9	-	4.9	3.4	-	3.4
Common shares repurchased	(124.2)	-	(124.2)	(515.6)	-	(515.6)
Intersegment dividend	-	-	-	133.5	(133.5)	-
Collateral on interest rate swaps	(7.9)	-	(7.9)	-	-	-
Other, net	(.7)	.7	-	(1.2)	1.2	-
Net cash (used for) provided by financing activities	(205.6)	1.2	(204.4)	(34.5)	(136.1)	(170.6)
Net increase (decrease) in cash and cash equivalents	474.8	147.8	622.6	79.3	(45.9)	33.4
Cash and cash equivalents, beginning of period	1,056.7	150.8	1,207.5	726.7	104.1	830.8
Cash and cash equivalents, end of period	\$ 1,531.5	\$ 298.6	\$ 1,830.1	\$ 806.0	\$ 58.2	\$ 864.2

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows (Continued)

(Millions)	Nine Months Ended					
	September 30, 2009			September 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	\$ 1,093.9	\$ 16.7	\$ 1,110.6	\$ 1,158.0	\$ 31.4	\$ 1,189.4
Adjustments to reconcile net income to net cash provided						
by (used for) operating activities:						
Net realized capital (gains) losses	(33.3)	6.9	(26.4)	400.6	36.8	437.4
Depreciation and amortization	306.8	-	306.8	279.9	-	279.9
Equity in earnings of affiliates, net	21.1	(14.1)	7.0	40.7	24.7	65.4
Stock-based compensation expense	81.1	-	81.1	80.2	-	80.2
(Accretion) amortization of net investment (discount) premium	(37.5)	(17.1)	(54.6)	3.4	(8.4)	(5.0)
Changes in assets and liabilities:						
Accrued investment income	(12.0)	2.8	(9.2)	(11.5)	2.9	(8.6)
Premiums due and other receivables	(156.3)	(1.1)	(157.4)	(243.7)	24.5	(219.2)
Income taxes	13.6	6.6	20.2	(96.5)	1.0	(95.5)
Other assets and other liabilities	263.8	(17.4)	246.4	(43.9)	(11.3)	(55.2)
Health care and insurance liabilities	503.4	(168.4)	335.0	364.7	(282.0) ⁽⁸⁾	82.7
Other, net	(3.9)	.2	(3.7)	1.0	(.1)	.9
Net cash provided by (used for) operating activities	2,040.7	(184.9)	1,855.8	1,932.9	(180.5)	1,752.4
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	6,079.1	1,635.7	7,714.8	7,519.4	1,623.8	9,143.2
Cost of investments purchased	(6,770.4)	(1,163.9)	(7,934.3)	(8,844.0)	(1,351.3)	(10,195.3)
Increase in property, equipment and software	(259.4)	-	(259.4)	(304.6)	-	(304.6)
Cash used for acquisition, net of cash acquired	(6.1)	-	(6.1)	-	-	-
Net cash (used for) provided by investing activities	(956.8)	471.8	(485.0)	(1,629.2)	272.5	(1,356.7)
Cash flows from financing activities:						
Proceeds from issuance of long-term debt, net of issuance costs	-	-	-	484.8	-	484.8
Net (repayment) issuance of short-term debt	(104.9)	-	(104.9)	365.8	(13.8)	352.0
Deposits and interest credited for investment contracts	-	4.9	4.9	-	5.9	5.9
Withdrawals of investment contracts	-	(8.1)	(8.1)	-	(8.0)	(8.0)
Common shares issued under benefit plans	10.4	-	10.4	28.8	-	28.8
Stock-based compensation tax benefits	9.6	-	9.6	23.8	-	23.8
Common shares repurchased	(657.2)	-	(657.2)	(1,672.8)	-	(1,672.8)
Intersegment dividend	147.7	(147.7)	-	133.5	(133.5)	-
Collateral on interest rate swaps	25.1	-	25.1	-	-	-
Other, net	(6.6)	6.6	-	(2.4)	2.4	-
Net cash used for financing activities	(575.9)	(144.3)	(720.2)	(638.5)	(147.0)	(785.5)
Net increase (decrease) in cash and cash equivalents	508.0	142.6	650.6	(334.8)	(55.0)	(389.8)
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	\$ 1,531.5	\$ 298.6	\$ 1,830.1	\$ 806.0	\$ 58.2	\$ 864.2

Refer to page 13 for an explanation of footnotes and definitions of terms used.

Investment Portfolio
At September 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	\$ 1,225.0	\$ 15.4	\$ 1,240.4	8.2%	\$ 187.0	3.4%	\$ 1,427.4	6.9%
States, municipalities and political subdivisions	2,014.1	1.0	2,015.1	13.2%	83.3	1.5%	2,098.4	10.1%
U.S. corporate securities	4,285.4	224.6	4,510.0	29.6%	2,323.7	41.6%	6,833.7	32.9%
Foreign securities	1,814.2	98.0	1,912.2	12.6%	793.6	14.2%	2,705.8	13.0%
Residential mortgage-backed securities	1,107.4	131.0	1,238.4	8.1%	56.7	1.0%	1,295.1	6.1%
Commercial mortgage-backed securities	679.3	37.5	716.8	4.7%	301.6	5.4%	1,018.4	4.9%
Other asset-backed securities	346.0	44.6	390.6	2.6%	22.6	.5%	413.2	2.0%
Redeemable preferred securities	164.6	15.0	179.6	1.2%	152.5	2.7%	332.1	1.6%
Total debt securities	11,636.0	567.1	12,203.1	80.2%	3,921.0	70.3%	16,124.1	77.5%
Equity securities	1.3	-	1.3	-	35.3	.6%	36.6	.2%
Total debt and equity securities	11,637.3	567.1	12,204.4	80.2%	3,956.3	70.9%	16,160.7	77.7%
Mortgage loans	800.8	14.2	815.0	5.4%	788.4	14.1%	1,603.4	7.7%
Other investments:								
Real estate	109.4	.4	109.8	.7%	63.1	1.1%	172.9	.8%
Hedge funds	153.8	-	153.8	1.0%	334.6	6.0%	488.4	2.4%
Private equity	86.9	9.7	96.6	.6%	221.8	4.0%	318.4	1.5%
Other	223.8	2.2	226.0	1.5%	-	-	226.0	1.1%
Total other investments	573.9	12.3	586.2	3.8%	619.5	11.1%	1,205.7	5.8%
Total investments	13,012.0	593.6	13,605.6	89.4%	5,364.2	96.1%	18,969.8	91.2%
Cash and cash equivalents	1,531.5	81.8	1,613.3	10.6%	216.8	3.9%	1,830.1	8.8%
Total investments, cash and cash equivalents	\$ 14,543.5	\$ 675.4	\$ 15,218.9		\$ 5,581.0		\$ 20,799.9	
Average credit quality	A+	A	A+		A		A+	

Refer to page 13 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		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Summary of Results				
Business segment operating earnings	\$ 385.7	\$ 552.0	\$ 1,292.6	\$ 1,512.2
Corporate Financing segment operating loss	(77.5)	(15.3)	(233.3)	(39.6)
Operating earnings	308.2	536.7	1,059.3	1,472.6
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾	-	(27.4)	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁸⁾	-	-	-	28.5
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	-	-	24.9	-
Net realized capital gains (losses), net of tax	18.0	(232.0)	26.4	(284.3)
Net income (GAAP measure)	\$ 326.2	\$ 277.3	\$ 1,110.6	\$ 1,189.4
Weighted average common shares - diluted	444.6	480.3	452.2	495.0
Summary of Results Per Common Share				
Business segment operating earnings	\$.87	\$ 1.15	\$ 2.86	\$ 3.05
Corporate Financing segment operating loss	(.18)	(.03)	(.52)	(.08)
Operating earnings	.69	1.12	2.34	2.97
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾	-	(.06)	-	(.06)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁸⁾	-	-	-	.06
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	-	-	.06	-
Net realized capital gains (losses), net of tax	.04	(.48)	.06	(.57)
Net income (GAAP measure)	\$.73	\$.58	\$ 2.46	\$ 2.40
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) \$ 1,006.6	\$ 734.4	\$ 2,040.7	\$ 1,932.9
Operating earnings: Health Care, Group Insurance and Corporate Financing excluding Corporate Financing pension (expense) benefit	(B) 339.6	503.9	1,150.2	1,373.9
Corporate Financing pension (expense) benefit ⁽⁵⁾	(38.1)	24.0	(114.5)	71.9
Operating earnings: Health Care, Group Insurance and Corporate Financing	301.5	527.9	1,035.7	1,445.8
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾	-	(27.4)	-	(27.4)
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	-	-	24.9	-
Net realized capital gains (losses), net of tax	23.7	(215.4)	33.3	(260.4)
Net income: Health Care, Group Insurance and Corporate Financing	(C) \$ 325.2	\$ 285.1	\$ 1,093.9	\$ 1,158.0
Operating cash flow as a percentage of operating earnings excluding Corporate Financing pension (expense) benefit	(A)/(B) 296.4%	145.7%	177.4%	140.7%
Operating cash flow as a percentage of net income	(A)/(C) 309.5%	257.6%	186.6%	166.9%

Refer to page 13 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		Nine Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
Health Care				
Reconciliation of Revenue				
Revenue, excluding net realized capital gains (losses)	\$ 8,037.8	\$ 7,346.2	\$ 23,978.0	\$ 21,669.4
Net realized capital gains (losses)	10.8	(213.7)	6.9	(245.4)
Total revenue (GAAP measure)	\$ 8,048.6	\$ 7,132.5	\$ 23,984.9	\$ 21,424.0
Group Insurance				
Reconciliation of Revenue				
Revenue, excluding net realized capital gains (losses)	\$ 528.2	\$ 511.2	\$ 1,591.1	\$ 1,527.5
Net realized capital gains (losses)	12.9	(117.6)	26.4	(155.2)
Total revenue (GAAP measure)	\$ 541.1	\$ 393.6	\$ 1,617.5	\$ 1,372.3
Large Case Pensions				
Reconciliation of Revenue				
Revenue, excluding net realized capital losses	\$ 138.4	\$ 124.0	\$ 412.4	\$ 431.9
Net realized capital losses	(5.7)	(25.5)	(6.9)	(36.8)
Total revenue (GAAP measure)	\$ 132.7	\$ 98.5	\$ 405.5	\$ 395.1

Refer to page 13 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		Nine Months Ended		
	September 30, 2009	September 30, 2008	September 30, 2009	September 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)	\$ 603.4	\$ 870.7	\$ 2,029.8	\$ 2,396.4
Corporate Financing pension (expense) benefit ⁽⁵⁾		(58.6)	36.9	(176.1)	110.5
Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets	(B)	544.8	907.6	1,853.7	2,506.9
Interest expense		(60.6)	(60.5)	(182.8)	(171.5)
Amortization of other acquired intangible assets		(23.9)	(25.4)	(72.9)	(80.5)
Allowance on reinsurance recoverable ⁽⁶⁾		-	(42.2)	-	(42.2)
Reduction of reserve for anticipated future losses on discontinued products ⁽⁸⁾		-	-	-	43.8
Litigation-related insurance proceeds ⁽⁷⁾		-	-	38.2	-
Net realized capital gains (losses)		18.0	(356.8)	26.4	(437.4)
Income before income taxes (GAAP measure)		\$ 478.3	\$ 422.7	\$ 1,662.6	\$ 1,819.1
Reconciliation to Net Income					
Operating earnings, excluding interest expense, Corporate Financing pension (expense) benefit and amortization of other acquired intangible assets		\$ 401.3	\$ 568.5	\$ 1,340.0	\$ 1,564.5
Corporate Financing pension (expense) benefit ⁽⁵⁾		(38.1)	24.0	(114.5)	71.9
Operating earnings, excluding interest expense and amortization of other acquired intangible assets		363.2	592.5	1,225.5	1,636.4
Interest expense, net of tax		(39.4)	(39.3)	(118.8)	(111.5)
Amortization of other acquired intangible assets, net of tax		(15.6)	(16.5)	(47.4)	(52.3)
Allowance on reinsurance recoverable, net of tax ⁽⁶⁾		-	(27.4)	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽⁸⁾		-	-	-	28.5
Litigation-related insurance proceeds, net of tax ⁽⁷⁾		-	-	24.9	-
Net realized capital gains (losses), net of tax		18.0	(232.0)	26.4	(284.3)
Net income (GAAP measure)	(C)	\$ 326.2	\$ 277.3	\$ 1,110.6	\$ 1,189.4
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses)	(D)	\$ 8,704.4	\$ 7,981.4	\$ 25,981.5	\$ 23,628.8
Net realized capital gains (losses)		18.0	(356.8)	26.4	(437.4)
Total revenue (GAAP measure)	(E)	\$ 8,722.4	\$ 7,624.6	\$ 26,007.9	\$ 23,191.4
Operating Margin					
Business Segments - pretax operating margin ⁽¹⁾	(A)/(D)	6.9 %	10.9 %	7.8 %	10.1 %
Total Company - pretax operating margin ⁽¹⁾	(B)/(D)	6.3 %	11.4 %	7.1 %	10.6 %
Total Company - after-tax net income margin	(C)/(E)	3.7 %	3.6 %	4.3 %	5.1 %
Reconciliation of Operating Expenses					
Business segment operating expenses	(F)	\$ 1,516.9	\$ 1,429.4	\$ 4,453.9	\$ 4,301.9
Corporate Financing segment operating expenses ⁽⁵⁾		58.6	(36.9)	176.1	(110.5)
Operating expenses, including Corporate Financing	(G)	1,575.5	1,392.5	4,630.0	4,191.4
Allowance on reinsurance recoverable ⁽⁶⁾		-	42.2	-	42.2
Litigation-related insurance proceeds ⁽⁷⁾		-	-	(38.2)	-
Total operating expenses (GAAP measure)	(H)	\$ 1,575.5	\$ 1,434.7	\$ 4,591.8	\$ 4,233.6
Operating Expense Ratios:					
Operating expense ratio ⁽¹⁾	(G)/(D)	18.1 %	17.4 %	17.8 %	17.7 %
Business segment operating expense ratio ⁽¹⁾	(F)/(D)	17.4 %	17.9 %	17.1 %	18.2 %
Total operating expense ratio (GAAP measure)	(H)/(E)	18.1 %	18.8 %	17.7 %	18.3 %

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 10-12.
- (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 nine months ended September 30, 2009 and 2008. Prior periods have been reclassified to reflect this change.

(Millions)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Pretax - Pension Expense				
Operating component (allocated by business segments)	\$ 10.7	\$ 9.5	\$ 32.0	\$ 28.3
Financing component (allocated to Corporate Financing segment)	58.6	(36.9)	176.1	(110.5)
Total pension expense (benefit) - pretax	\$ 69.3	\$ (27.4)	\$ 208.1	\$ (82.2)
After tax - Pension Expense				
Operating component (allocated by business segments)	\$ 6.9	\$ 6.2	\$ 20.7	\$ 18.4
Financing component (allocated to Corporate Financing segment)	38.1	(24.0)	114.5	(71.9)
Total pension expense (benefit) - after tax	\$ 45.0	\$ (17.8)	\$ 135.2	\$ (53.5)

- (6) As a result of the liquidation proceedings of Lehman Re Ltd. ("Lehman Re"), a subsidiary of Lehman Brothers Holdings Inc., Aetna recorded an allowance against its reinsurance recoverable from Lehman Re of \$27.4 million (\$42.2 million pretax) in the three and nine months ended September 30, 2008. This reinsurance was placed in 1999 and is on a closed book of paid-up group whole life insurance business. This is an other item for the three and nine months ended September 30, 2008 because it does not reflect underlying 2008 performance.
- (7) 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 for the nine months ended September 30, 2009.
- (8) Includes a reduction of the reserve for anticipated future losses on discontinued products of \$44 million (\$28.5 million after tax) for the nine months ended September 30, 2008. Changes in insurance liabilities are satisfied by sales of related investment assets included in net cash provided by investment activities.

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.