

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 fourth quarter 2009 earnings press release issued on February 5, 2010 and should be read in conjunction therewith and in conjunction with our 2009 Annual Report on Form 10-K 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 December 31,			Twelve Months Ended December 31,		
	2009	2008	Change	2009	2008	Change
<u>Operating Earnings</u> ⁽¹⁾						
Business Segments:						
Health Care	\$ 261.6	\$ 436.0	(40.0) %	\$ 1,412.7	\$ 1,802.3	(21.6) %
Group Insurance	(14.1)	17.7	(179.7) %	103.8	136.8	(24.1) %
Large Case Pensions	8.6	12.0	(28.3) %	32.2	38.8	(17.0) %
Total - Business Segments	256.1	465.7	(45.0) %	1,548.7	1,977.9	(21.7) %
Corporate Financing	(77.5)	(17.4)	345.4 %	(310.8)	(57.0)	445.3 %
Aetna Inc.	\$ 178.6	\$ 448.3	(60.2) %	\$ 1,237.9	\$ 1,920.9	(35.6) %
Aetna Inc. per common share	\$.40	\$.96	(58.3) %	\$ 2.75	\$ 3.93	(30.0) %
<u>Net Income</u>						
Aetna Inc.	\$ 165.9	\$ 194.7	(14.8) %	\$ 1,276.5	\$ 1,384.1	(7.8) %
Aetna Inc. per common share	\$.38	\$.42	(9.5) %	\$ 2.84	\$ 2.83	.4 %
Weighted average common shares - diluted	441.5	468.3	(5.7) %	449.5	488.3	(7.9) %
<u>Operating Margin</u>						
Business Segments - pretax operating margin ⁽¹⁾	4.8 %	8.8 %	(4.0) pts.	7.1 %	9.8 %	(2.7) pts.
Total Company - pretax operating margin ⁽¹⁾	4.1 %	9.3 %	(5.2) pts.	6.4 %	10.3 %	(3.9) pts.
Total Company - after-tax net income margin	1.9 %	2.5 %	(.6) pts.	3.7 %	4.5 %	(.8) pts.
<u>Revenue by Segment</u> ⁽¹⁾						
Health Care	\$ 8,046.1	\$ 7,381.8	9.0 %	\$ 32,024.1	\$ 29,051.2	10.2 %
Group Insurance	510.1	494.4	3.2 %	2,101.2	2,021.9	3.9 %
Large Case Pensions	141.2	101.6	39.0 %	553.6	533.5	3.8 %
Total Revenue	\$ 8,697.4	\$ 7,977.8	9.0 %	\$ 34,678.9	\$ 31,606.6	9.7 %
Operating Expense Ratio ⁽¹⁾	19.5 %	18.1 %	1.4 pts.	18.2 %	17.8 %	.4 pts.
Business Segment Operating Expense Ratio ⁽¹⁾	18.8 %	18.6 %	.2 pts.	17.6 %	18.3 %	(.7) pts.

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Health Care and Group Insurance Statistics

(Millions)	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2009	2008	Change	2009	2008	Change
Health Care						
Premiums						
Commercial	\$ 5,474.1	\$ 5,171.8	5.8 %	\$ 21,581.6	\$ 20,096.2	7.4 %
Medicare	1,422.6	1,184.4	20.1 %	5,735.8	4,816.1	19.1 %
Medicaid	231.6	157.9	46.7 %	926.4	595.0	55.7 %
Health Care	\$ 7,128.3	\$ 6,514.1	9.4 %	\$ 28,243.8	\$ 25,507.3	10.7 %
Health Care Costs						
Commercial	\$ 4,655.5	\$ 4,168.6	11.7 %	\$ 18,246.6	\$ 16,143.2	13.0 %
Medicare	1,232.8	1,023.8	20.4 %	4,994.0	4,122.0	21.2 %
Medicaid	196.7	137.0	43.6 %	820.6	520.3	57.7 %
Health Care	\$ 6,085.0	\$ 5,329.4	14.2 %	\$ 24,061.2	\$ 20,785.5	15.8 %
Medical Benefit Ratios ("MBR")						
Commercial	85.0 %	80.6 %	4.4 pts.	84.5 %	80.3 %	4.2 pts.
Medicare	86.7 %	86.4 %	.3 pts.	87.1 %	85.6 %	1.5 pts.
Medicaid	84.9 %	86.8 %	(1.9) pts.	88.6 %	87.4 %	1.2 pts.
Health Care	85.4 %	81.8 %	3.6 pts.	85.2 %	81.5 %	3.7 pts.
Group Insurance						
Benefit ratio	103.4 %	90.5 %	12.9 pts.	91.6 %	87.2 %	4.4 pts.

	December 31, 2009	September 30, 2009	June 30, 2009	March 31, 2009	December 31, 2008
Days Claims Payable	43.8	43.8	41.2	41.6	41.3

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Health Care Membership

(Thousands)	December 31, 2009			September 30, 2009			December 31, 2008		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
Products									
Medical:									
Commercial	5,614	11,821	17,435	5,676	11,906	17,582	5,595	10,893	16,488
Medicare	433	-	433	428	-	428	366	-	366
Medicaid	310	736	1,046	300	717	1,017	207	640	847
Total Medical	6,357	12,557	18,914	6,404	12,623	19,027	6,168	11,533	17,701
Consumer-Directed Health Plans ⁽²⁾			1,868			1,862			1,431
Dental:									
Commercial	4,998	7,304	12,302	5,032	7,436	12,468	5,012	7,494	12,506
Medicare & Medicaid	260	432	692	254	422	676	229	374	603
Network Access ⁽³⁾	-	1,067	1,067	-	1,039	1,039	-	1,015	1,015
Total Dental	5,258	8,803	14,061	5,286	8,897	14,183	5,241	8,883	14,124
Pharmacy:									
Commercial			9,728			9,882			9,846
Medicare PDP (stand-alone)			346			338			375
Medicare Advantage PDP			240			233			195
Medicaid			30			29			25
Total Pharmacy Benefit Management Services			10,344			10,482			10,441
Mail Order ⁽⁴⁾			669			673			657
Total Pharmacy			11,013			11,155			11,098
Regions									
Northeast	1,200	1,624	2,824	1,205	1,646	2,851	1,138	1,533	2,671
Mid-Atlantic	1,107	1,903	3,010	1,105	1,908	3,013	1,062	1,776	2,838
Southeast	947	1,968	2,915	967	1,989	2,956	969	1,814	2,783
North Central	902	2,503	3,405	906	2,495	3,401	877	2,227	3,104
Southwest	672	2,311	2,983	675	2,312	2,987	683	2,058	2,741
West	1,243	2,130	3,373	1,264	2,148	3,412	1,181	1,990	3,171
Other	286	118	404	282	125	407	258	135	393
Total Medical	6,357	12,557	18,914	6,404	12,623	19,027	6,168	11,533	17,701
Percent of Total	33.6%	66.4%	100.0%	33.7%	66.3%	100.0%	34.8%	65.2%	100.0%

Refer to page 14 and 15 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 December 31, 2009						
Revenue:						
Premiums	\$ 7,128.3	\$ 415.6	\$ 44.4	\$ 7,588.3	\$ -	\$ 7,588.3
Fees and other revenue	816.0	25.0	3.1	844.1	-	844.1
Net investment income	101.8	69.5	93.7	265.0	-	265.0
Total revenue, excluding net realized capital gains and an other item ⁽¹⁾	8,046.1	510.1	141.2	8,697.4	-	8,697.4
Benefits and expenses:						
Health care costs	6,085.0	-	-	6,085.0	-	6,085.0
Current and future benefits	-	429.7	126.8	556.5	-	556.5
Operating expenses:						
Selling expenses	289.6	23.8	-	313.4	-	313.4
General and administrative expenses, excluding other items ⁽¹⁾	1,247.8	74.4	3.2	1,325.4	58.7	1,384.1
Total operating expenses	1,537.4	98.2	3.2	1,638.8	58.7	1,697.5
Interest expense	-	-	-	-	60.6	60.6
Amortization of other acquired intangible assets	22.5	1.8	-	24.3	-	24.3
Total benefits and expenses	7,644.9	529.7	130.0	8,304.6	119.3	8,423.9
Operating earnings (loss), excluding income taxes (benefits)	401.2	(19.6)	11.2	392.8	(119.3)	273.5
Income taxes (benefits)	139.6	(5.5)	2.6	136.7	(41.8)	94.9
Operating earnings (loss)	261.6	(14.1)	8.6	256.1	(77.5)	178.6
Severance and facility charge, net of tax ⁽⁶⁾	(60.9)	-	-	(60.9)	-	(60.9)
ESI settlement, net of tax ⁽⁷⁾	19.6	-	-	19.6	-	19.6
Net realized capital gains, net of tax	12.1	15.4	1.1	28.6	-	28.6
Net income (loss)	\$ 232.4	\$ 1.3	\$ 9.7	\$ 243.4	\$ (77.5)	\$ 165.9
Three Months Ended December 31, 2008						
Revenue:						
Premiums	\$ 6,514.1	\$ 421.7	\$ 39.9	\$ 6,975.7	\$ -	\$ 6,975.7
Fees and other revenue	796.3	24.5	3.0	823.8	-	823.8
Net investment income	71.4	48.2	58.7	178.3	-	178.3
Total revenue, excluding net realized capital losses ⁽¹⁾	7,381.8	494.4	101.6	7,977.8	-	7,977.8
Benefits and expenses:						
Health care costs	5,329.4	-	-	5,329.4	-	5,329.4
Current and future benefits	-	381.6	82.7	464.3	-	464.3
Operating expenses:						
Selling expenses	265.6	22.4	-	288.0	-	288.0
General and administrative expenses, excluding other items ⁽¹⁾	1,118.8	69.8	3.5	1,192.1	(36.9)	1,155.2
Total operating expenses	1,384.4	92.2	3.5	1,480.1	(36.9)	1,443.2
Interest expense	-	-	-	-	64.9	64.9
Amortization of other acquired intangible assets	26.0	1.7	-	27.7	-	27.7
Total benefits and expenses	6,739.8	475.5	86.2	7,301.5	28.0	7,329.5
Operating earnings (loss), excluding income taxes (benefits)	642.0	18.9	15.4	676.3	(28.0)	648.3
Income taxes (benefits)	206.0	1.2	3.4	210.6	(10.6)	200.0
Operating earnings (loss)	436.0	17.7	12.0	465.7	(17.4)	448.3
Severance and facility charge, net of tax ⁽⁶⁾	(35.6)	-	-	(35.6)	-	(35.6)
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	(20.0)	-	-	(20.0)	-	(20.0)
Net realized capital losses, net of tax	(53.6)	(123.8)	(20.6)	(198.0)	-	(198.0)
Net income (loss)	\$ 326.8	\$ (106.1)	\$ (8.6)	\$ 212.1	\$ (17.4)	\$ 194.7

Refer to page 14 and 15 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
Twelve Months Ended December 31, 2009						
Revenue:						
Premiums	\$ 28,243.8	\$ 1,720.2	\$ 172.2	\$ 30,136.2	\$ -	\$ 30,136.2
Fees and other revenue	3,387.8	106.9	11.6	3,506.3	-	3,506.3
Net investment income	392.5	274.1	369.8	1,036.4	-	1,036.4
Total revenue, excluding net realized capital gains (losses) and an other item ⁽¹⁾	32,024.1	2,101.2	553.6	34,678.9	-	34,678.9
Benefits and expenses:						
Health care costs	24,061.2	-	-	24,061.2	-	24,061.2
Current and future benefits	-	1,575.2	502.9	2,078.1	-	2,078.1
Operating expenses:						
Selling expenses	1,158.7	93.2	-	1,251.9	-	1,251.9
General and administrative expenses, excluding other items ⁽¹⁾	4,547.4	283.4	10.0	4,840.8	234.8	5,075.6
Total operating expenses	5,706.1	376.6	10.0	6,092.7	234.8	6,327.5
Interest expense	-	-	-	-	243.4	243.4
Amortization of other acquired intangible assets	90.3	6.9	-	97.2	-	97.2
Total benefits and expenses	29,857.6	1,958.7	512.9	32,329.2	478.2	32,807.4
Operating earnings (loss), excluding income taxes (benefits)	2,166.5	142.5	40.7	2,349.7	(478.2)	1,871.5
Income taxes (benefits)	753.8	38.7	8.5	801.0	(167.4)	633.6
Operating earnings (loss)	1,412.7	103.8	32.2	1,548.7	(310.8)	1,237.9
Severance and facility charge, net of tax ⁽⁶⁾	(60.9)	-	-	(60.9)	-	(60.9)
ESI settlement, net of tax ⁽⁷⁾	19.6	-	-	19.6	-	19.6
Litigation-related insurance proceeds, net of tax ⁽⁸⁾	24.9	-	-	24.9	-	24.9
Net realized capital gains (losses), net of tax	19.0	41.8	(5.8)	55.0	-	55.0
Net income (loss)	\$ 1,415.3	\$ 145.6	\$ 26.4	\$ 1,587.3	\$ (310.8)	\$ 1,276.5
Twelve Months Ended December 31, 2008						
Revenue:						
Premiums	\$ 25,507.3	\$ 1,683.6	\$ 193.2	\$ 27,384.1	\$ -	\$ 27,384.1
Fees and other revenue	3,202.6	97.9	12.0	3,312.5	-	3,312.5
Net investment income	341.3	240.4	328.3	910.0	-	910.0
Total revenue, excluding net realized capital losses ⁽¹⁾	29,051.2	2,021.9	533.5	31,606.6	-	31,606.6
Benefits and expenses:						
Health care costs	20,785.5	-	-	20,785.5	-	20,785.5
Current and future benefits	-	1,468.8	469.9	1,938.7	-	1,938.7
Operating expenses:						
Selling expenses	1,055.2	94.4	-	1,149.6	-	1,149.6
General and administrative expenses, excluding other items ⁽¹⁾	4,349.6	267.9	14.9	4,632.4	(147.4)	4,485.0
Total operating expenses	5,404.8	362.3	14.9	5,782.0	(147.4)	5,634.6
Interest expense	-	-	-	-	236.4	236.4
Amortization of other acquired intangible assets	101.3	6.9	-	108.2	-	108.2
Total benefits and expenses	26,291.6	1,838.0	484.8	28,614.4	89.0	28,703.4
Operating earnings (loss), excluding income taxes (benefits)	2,759.6	183.9	48.7	2,992.2	(89.0)	2,903.2
Income taxes (benefits)	957.3	47.1	9.9	1,014.3	(32.0)	982.3
Operating earnings (loss)	1,802.3	136.8	38.8	1,977.9	(57.0)	1,920.9
Severance and facility charge, net of tax ⁽⁶⁾	(35.6)	-	-	(35.6)	-	(35.6)
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	(20.0)	-	-	(20.0)	-	(20.0)
Allowance on reinsurance recoverable, net of tax ⁽¹⁰⁾	-	(27.4)	-	(27.4)	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽¹¹⁾	-	-	28.5	28.5	-	28.5
Net realized capital losses, net of tax	(213.1)	(224.7)	(44.5)	(482.3)	-	(482.3)
Net income (loss)	\$ 1,533.6	\$ (115.3)	\$ 22.8	\$ 1,441.1	\$ (57.0)	\$ 1,384.1

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Balance Sheets

(Millions)	December 31, 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	\$ 1,030.3	\$ 173.3	\$ 1,203.6	\$ 1,023.5	\$ 156.0	\$ 1,179.5
Investments	2,406.6	516.1	2,922.7	542.8	163.2	706.0
Premiums receivable, net	630.4	-	630.4	616.4	-	616.4
Other receivables, net	602.3	24.4	626.7	521.4	32.9	554.3
Accrued investment income	146.8	62.4	209.2	126.1	67.5	193.6
Collateral received under securities loan agreements	165.8	44.2	210.0	538.8	210.8	749.6
Income taxes receivable	30.4	59.1	89.5	121.1	43.8	164.9
Deferred income taxes	360.4	23.0	383.4	257.5	44.0	301.5
Other current assets	543.5	7.9	551.4	448.3	4.3	452.6
Total current assets	5,916.5	910.4	6,826.9	4,195.9	722.5	4,918.4
Long-term investments	11,554.9	5,496.2	17,051.1	10,412.4	5,751.0	16,163.4
Reinsurance recoverables	976.8	10.1	986.9	1,000.7	9.6	1,010.3
Goodwill	5,146.2	-	5,146.2	5,085.6	-	5,085.6
Other acquired intangible assets, net	590.7	-	590.7	667.4	-	667.4
Property and equipment, net	526.6	24.4	551.0	433.0	34.5	467.5
Deferred income taxes	209.3	124.1	333.4	551.6	227.1	778.7
Other long-term assets	781.1	-	781.1	841.3	-	841.3
Separate Accounts assets	-	6,283.1	6,283.1	1.6	5,918.3	5,919.9
Total assets	\$ 25,702.1	\$ 12,848.3	\$ 38,550.4	\$ 23,189.5	\$ 12,663.0	\$ 35,852.5
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 2,895.3	\$ -	\$ 2,895.3	\$ 2,393.2	\$ -	\$ 2,393.2
Future policy benefits	147.6	592.0	739.6	145.1	614.6	759.7
Unpaid claims	558.9	.6	559.5	559.0	.8	559.8
Unearned premiums	301.0	5.4	306.4	232.1	6.5	238.6
Policyholders' funds	753.6	34.7	788.3	712.4	42.0	754.4
Collateral payable under securities loan agreements	165.8	44.2	210.0	538.8	210.8	749.6
Short-term debt	480.8	-	480.8	215.7	-	215.7
Accrued expenses and other current liabilities	2,260.6	223.7	2,484.3	1,799.0	84.8	1,883.8
Total current liabilities	7,563.6	900.6	8,464.2	6,595.3	959.5	7,554.8
Future policy benefits	1,793.9	4,676.2	6,470.1	1,926.9	4,838.5	6,765.4
Unpaid claims	1,453.0	-	1,453.0	1,271.2	-	1,271.2
Policyholders' funds	598.0	696.1	1,294.1	618.9	552.8	1,171.7
Long-term debt	3,639.5	-	3,639.5	3,638.3	-	3,638.3
Other long-term liabilities	1,441.2	1.4	1,442.6	1,328.1	16.7	1,344.8
Separate Accounts liabilities	-	6,283.1	6,283.1	1.6	5,918.3	5,919.9
Total liabilities	16,489.2	12,557.4	29,046.6	15,380.3	12,285.8	27,666.1
Shareholders' equity	9,212.9	290.9	9,503.8	7,809.2	377.2	8,186.4
Total liabilities and shareholders' equity	\$ 25,702.1	\$ 12,848.3	\$ 38,550.4	\$ 23,189.5	\$ 12,663.0	\$ 35,852.5

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows

(Millions)	Three Months Ended					
	December 31, 2009			December 31, 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 (loss)	\$ 156.2	\$ 9.7	\$ 165.9	\$ 203.3	\$ (8.6)	\$ 194.7
Adjustments to reconcile net income (loss) to net cash provided						
by (used for) operating activities:						
Net realized capital (gains) losses	(27.5)	(1.1)	(28.6)	186.8	31.7	218.5
Depreciation and amortization	109.2	-	109.2	98.4	-	98.4
Equity in earnings of affiliates, net	5.5	(28.2)	(22.7)	53.6	40.1	93.7
Stock-based compensation expense	9.6	-	9.6	15.5	-	15.5
Accretion of net investment discount	(8.1)	(4.3)	(12.4)	(4.1)	(6.1)	(10.2)
Changes in assets and liabilities:						
Accrued investment income	(8.7)	2.3	(6.4)	.1	4.1	4.2
Premiums due and other receivables	104.5	(.8)	103.7	111.6	1.4	113.0
Income taxes	(50.2)	15.6	(34.6)	(41.9)	(.1)	(42.0)
Other assets and other liabilities	304.5	19.5	324.0	(80.1)	19.0	(61.1)
Health care and insurance liabilities	76.2	(53.6)	22.6	(72.1)	(92.7)	(164.8)
Other, net	(.4)	2.6	2.2	(6.4)	1.0	(5.4)
Net cash provided by (used for) operating activities	670.8	(38.3)	632.5	464.7	(10.2)	454.5
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	1,938.4	376.4	2,314.8	2,011.1	526.9	2,538.0
Cost of investments purchased	(3,189.4)	(468.5)	(3,657.9)	(1,725.1)	(387.5)	(2,112.6)
Increase in property, equipment and software	(103.2)	.6	(102.6)	(142.0)	-	(142.0)
Cash used for acquisition, net of cash acquired	(69.0)	-	(69.0)	-	-	-
Net cash (used for) provided by investing activities	(1,423.2)	(91.5)	(1,514.7)	144.0	139.4	283.4
Cash flows from financing activities:						
Net issuance (repayment) of short-term debt	371.0	-	371.0	(266.4)	-	(266.4)
Deposits and interest credited for investment contracts	-	2.2	2.2	-	2.6	2.6
Withdrawals of investment contracts	-	(.9)	(.9)	-	(30.4)	(30.4)
Common shares issued under benefit plans	4.4	-	4.4	.9	-	.9
Stock-based compensation tax benefits	(4.5)	-	(4.5)	4.0	-	4.0
Common shares repurchased	(115.8)	-	(115.8)	(114.9)	-	(114.9)
Dividends paid to shareholders	(17.3)	-	(17.3)	(18.4)	-	(18.4)
Collateral held on interest rate swaps	16.6	-	16.6	-	-	-
Other, net	(3.2)	3.2	-	3.6	(3.6)	-
Net cash (used for) provided by financing activities	251.2	4.5	255.7	(391.2)	(31.4)	(422.6)
Net (decrease) increase in cash and cash equivalents	(501.2)	(125.3)	(626.5)	217.5	97.8	315.3
Cash and cash equivalents, beginning of period	1,531.5	298.6	1,830.1	806.0	58.2	864.2
Cash and cash equivalents, end of period	\$ 1,030.3	\$ 173.3	\$ 1,203.6	\$ 1,023.5	\$ 156.0	\$ 1,179.5

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Condensed Statements of Cash Flows (Continued)

(Millions)	Twelve Months Ended					
	December 31, 2009			December 31, 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	\$ 1,250.1	\$ 26.4	\$ 1,276.5	\$ 1,361.3	\$ 22.8	\$ 1,384.1
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital (gains) losses	(60.8)	5.8	(55.0)	587.4	68.5	655.9
Depreciation and amortization	416.0	-	416.0	378.3	-	378.3
Equity in earnings of affiliates, net	26.6	(42.3)	(15.7)	94.3	64.8	159.1
Stock-based compensation expense	90.7	-	90.7	95.7	-	95.7
Accretion of net investment discount	(45.6)	(21.4)	(67.0)	(.7)	(14.5)	(15.2)
Changes in assets and liabilities:						
Accrued investment income	(20.7)	5.1	(15.6)	(11.4)	7.0	(4.4)
Premiums due and other receivables	(51.8)	(1.9)	(53.7)	(132.1)	25.9	(106.2)
Income taxes	(36.6)	22.2	(14.4)	(138.4)	.9	(137.5)
Other assets and other liabilities	568.3	2.1	570.4	(124.0)	7.7	(116.3)
Health care and insurance liabilities	579.6	(222.0)	357.6	292.6	(374.7)	(82.1)
Other, net	(4.3)	2.8	(1.5)	(5.4)	.9	(4.5)
Net cash provided by (used for) operating activities	2,711.5	(223.2)	2,488.3	2,397.6	(190.7)	2,206.9
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	8,017.5	2,012.1	10,029.6	9,530.5	2,150.7	11,681.2
Cost of investments purchased	(9,959.8)	(1,632.4)	(11,592.2)	(10,569.1)	(1,738.8)	(12,307.9)
Increase in property, equipment and software	(362.6)	.6	(362.0)	(446.6)	-	(446.6)
Cash used for acquisition, net of cash acquired	(75.1)	-	(75.1)	-	-	-
Net cash (used for) provided by investing activities	(2,380.0)	380.3	(1,999.7)	(1,485.2)	411.9	(1,073.3)
Cash flows from financing activities:						
Proceeds from issuance of long-term debt, net of issuance costs	-	-	-	484.8	-	484.8
Net issuance (repayment) of short-term debt	266.1	-	266.1	99.4	(13.8)	85.6
Deposits and interest credited for investment contracts	-	7.1	7.1	-	8.5	8.5
Withdrawals of investment contracts	-	(9.0)	(9.0)	-	(38.4)	(38.4)
Common shares issued under benefit plans	14.8	-	14.8	29.7	-	29.7
Stock-based compensation tax benefits	5.1	-	5.1	27.8	-	27.8
Common shares repurchased	(773.0)	-	(773.0)	(1,787.7)	-	(1,787.7)
Dividends paid to shareholders	(17.3)	-	(17.3)	(18.4)	-	(18.4)
Intersegment dividend	147.7	(147.7)	-	133.5	(133.5)	-
Collateral held on interest rate swaps	41.7	-	41.7	-	-	-
Other, net	(9.8)	9.8	-	1.2	(1.2)	-
Net cash used for financing activities	(324.7)	(139.8)	(464.5)	(1,029.7)	(178.4)	(1,208.1)
Net increase (decrease) in cash and cash equivalents	6.8	17.3	24.1	(117.3)	42.8	(74.5)
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	\$ 1,030.3	\$ 173.3	\$ 1,203.6	\$ 1,023.5	\$ 156.0	\$ 1,179.5

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Investment Portfolio
At December 31, 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	\$ 1,635.7	\$ 21.3	\$ 1,657.0	10.6%	\$ 189.8	3.4%	\$ 1,846.8	8.7%
States, municipalities and political subdivisions	1,987.4	6.1	1,993.5	12.7%	81.9	1.5%	2,075.4	9.8%
U.S. corporate securities	4,594.2	245.0	4,839.2	30.9%	2,345.4	42.7%	7,184.6	33.9%
Foreign securities	1,877.1	100.9	1,978.0	12.6%	766.5	14.0%	2,744.5	13.0%
Residential mortgage-backed securities	1,215.1	151.3	1,366.4	8.7%	53.8	1.0%	1,420.2	6.7%
Commercial mortgage-backed securities	700.7	39.8	740.5	4.7%	302.9	5.5%	1,043.4	4.9%
Other asset-backed securities	369.6	43.6	413.2	2.6%	23.2	.4%	436.4	2.1%
Redeemable preferred securities	181.6	16.8	198.4	1.3%	170.3	3.1%	368.7	1.7%
Total debt securities	12,561.4	624.8	13,186.2	84.1%	3,933.8	71.6%	17,120.0	80.8%
Equity securities	1.4	-	1.4	-	38.3	.7%	39.7	.2%
Total debt and equity securities	12,562.8	624.8	13,187.6	84.1%	3,972.1	72.3%	17,159.7	81.0%
Mortgage loans	815.5	13.9	829.4	5.3%	764.6	13.9%	1,594.0	7.5%
Other investments:								
Real estate	97.7	.4	98.1	.6%	62.8	1.1%	160.9	.8%
Hedge funds	155.5	-	155.5	1.0%	340.6	6.2%	496.1	2.3%
Private equity	89.9	9.1	99.0	.6%	222.8	4.1%	321.8	1.5%
Other	240.1	1.2	241.3	1.5%	-	-	241.3	1.1%
Total other investments	583.2	10.7	593.9	3.8%	626.2	11.4%	1,220.1	5.8%
Total investments	13,961.5	649.4	14,610.9	93.2%	5,362.9	97.6%	19,973.8	94.3%
Cash and cash equivalents	1,030.3	41.8	1,072.1	6.8%	131.5	2.4%	1,203.6	5.7%
Total investments, cash and cash equivalents	\$ 14,991.8	\$ 691.2	\$ 15,683.0		\$ 5,494.4		\$ 21,177.4	
Average credit quality	A+	A	A+		A		A+	

Refer to page 14 and 15 for an explanation of footnotes and definitions of terms used.

Roll Forward of Health Care Costs Payable

(Millions)	Year Ended December 31,		
	2009	2008	2007
Health care costs payable at beginning of period	\$ 2,393.2	\$ 2,177.4	\$ 1,927.5
Less: reinsurance recoverables	2.0	2.9	3.7
Health care costs payable at beginning of period - net	2,391.2	2,174.5	1,923.8
Acquisition of businesses	1.1	-	58.1
Incurred health care costs:			
Current year	24,127.2	20,948.5	17,472.0
Prior years *	(66.0)	(163.0)	(177.2)
Total incurred health care costs	24,061.2	20,785.5	17,294.8
Paid health care costs:			
Current year	21,401.1	18,726.4	15,528.5
Prior years	2,159.0	1,842.4	1,573.7
Total paid health care costs	23,560.1	20,568.8	17,102.2
Health care costs payable at end of period - net	2,893.4	2,391.2	2,174.5
Plus: reinsurance recoverables	1.9	2.0	2.9
Health care costs payable at end of period	\$ 2,895.3	\$ 2,393.2	\$ 2,177.4
Health care costs payable:			
Incurred but not reported claims	\$ 2,556.8	\$ 2,059.9	\$ 1,739.7
Other claims	338.5	333.3	437.7
Total health care costs payable	\$ 2,895.3	\$ 2,393.2	\$ 2,177.4

* In 2009 we had approximately \$116 million of unfavorable development of prior period health care cost estimates that affected our results of operations. This development was driven by what we believe was unusually high paid claims activity in the first half of 2009 related to the second half of 2008. We had no significant development of prior period health care cost estimates that affected results of operations in 2008 or 2007.

Refer to page 14 and 15 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		Twelve Months Ended	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
Summary of Results				
Business segment operating earnings	\$ 256.1	\$ 465.7	\$ 1,548.7	\$ 1,977.9
Corporate Financing segment operating loss	(77.5)	(17.4)	(310.8)	(57.0)
Operating earnings	178.6	448.3	1,237.9	1,920.9
Severance and facility charge, net of tax ⁽⁶⁾	(60.9)	(35.6)	(60.9)	(35.6)
ESI settlement, net of tax ⁽⁷⁾	19.6	-	19.6	-
Litigation-related insurance proceeds, net of tax ⁽⁸⁾	-	-	24.9	-
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	-	(20.0)	-	(20.0)
Allowance on reinsurance recoverable, net of tax ⁽¹⁰⁾	-	-	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽¹¹⁾	-	-	-	28.5
Net realized capital gains (losses), net of tax	28.6	(198.0)	55.0	(482.3)
Net income (GAAP measure)	\$ 165.9	\$ 194.7	\$ 1,276.5	\$ 1,384.1
Weighted average common shares - diluted	441.5	468.3	449.5	488.3
Summary of Results Per Common Share				
Business segment operating earnings	\$.57	\$ 1.00	\$ 3.44	\$ 4.05
Corporate Financing segment operating loss	(.17)	(.04)	(.69)	(.12)
Operating earnings	.40	.96	2.75	3.93
Severance and facility charge, net of tax ⁽⁶⁾	(.14)	(.08)	(.14)	(.07)
ESI settlement, net of tax ⁽⁷⁾	.05	-	.05	-
Litigation-related insurance proceeds, net of tax ⁽⁸⁾	-	-	.06	-
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	-	(.04)	-	(.04)
Allowance on reinsurance recoverable, net of tax ⁽¹⁰⁾	-	-	-	(.06)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽¹¹⁾	-	-	-	.06
Net realized capital gains (losses), net of tax	.07	(.42)	.12	(.99)
Net income (GAAP measure)	\$.38	\$.42	\$ 2.84	\$ 2.83
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) \$ 670.8	\$ 464.7	\$ 2,711.5	\$ 2,397.6
Operating earnings: Health Care, Group Insurance and Corporate Financing excluding Corporate Financing pension (expense) benefit	(B) 208.1	412.4	1,358.3	1,786.3
Corporate Financing pension (expense) benefit ⁽⁵⁾	(38.1)	23.9	(152.6)	95.8
Operating earnings: Health Care, Group Insurance and Corporate Financing	170.0	436.3	1,205.7	1,882.1
Severance and facility charge, net of tax ⁽⁶⁾	(60.9)	(35.6)	(60.9)	(35.6)
ESI settlement, net of tax ⁽⁷⁾	19.6	-	19.6	-
Litigation-related insurance proceeds, net of tax ⁽⁸⁾	-	-	24.9	-
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	-	(20.0)	-	(20.0)
Allowance on reinsurance recoverable, net of tax ⁽¹⁰⁾	-	-	-	(27.4)
Net realized capital gains (losses), net of tax	27.5	(177.4)	60.8	(437.8)
Net income: Health Care, Group Insurance and Corporate Financing	(C) \$ 156.2	\$ 203.3	\$ 1,250.1	\$ 1,361.3
Operating cash flow as a percentage of operating earnings excluding Corporate Financing pension (expense) benefit	(A)/(B) 322.3%	112.7%	199.6%	134.2%
Operating cash flow as a percentage of net income	(A)/(C) 429.4%	228.6%	216.9%	176.1%

Refer to page 14 and 15 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		Twelve Months Ended		
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008	
Health Care					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses) and an other item	\$ 8,046.1	\$ 7,381.8	\$ 32,024.1	\$ 29,051.2	
ESI settlement ⁽⁷⁾	30.2	-	30.2	-	
Net realized capital gains (losses)	12.1	(30.8)	19.0	(276.2)	
Total revenue (GAAP measure)	\$ 8,088.4	\$ 7,351.0	\$ 32,073.3	\$ 28,775.0	
Group Insurance					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses)	\$ 510.1	\$ 494.4	\$ 2,101.2	\$ 2,021.9	
Net realized capital gains (losses)	15.4	(156.0)	41.8	(311.2)	
Total revenue (GAAP measure)	\$ 525.5	\$ 338.4	\$ 2,143.0	\$ 1,710.7	
Large Case Pensions					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses)	\$ 141.2	\$ 101.6	\$ 553.6	\$ 533.5	
Net realized capital gains (losses)	1.1	(31.7)	(5.8)	(68.5)	
Total revenue (GAAP measure)	\$ 142.3	\$ 69.9	\$ 547.8	\$ 465.0	
Total Company					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses) and an other item	(A) \$ 8,697.4	\$ 7,977.8	\$ 34,678.9	\$ 31,606.6	
ESI settlement ⁽⁷⁾	30.2	-	30.2	-	
Net realized capital gains (losses)	28.6	(218.5)	55.0	(655.9)	
Total revenue (GAAP measure)	(B) \$ 8,756.2	\$ 7,759.3	\$ 34,764.1	\$ 30,950.7	
Reconciliation of Operating Expenses					
Business segment operating expenses	(C) \$ 1,638.8	\$ 1,480.1	\$ 6,092.7	\$ 5,782.0	
Corporate Financing segment operating expenses ⁽⁵⁾	58.7	(36.9)	234.8	(147.4)	
Operating expenses, including Corporate Financing	(D) 1,697.5	1,443.2	6,327.5	5,634.6	
Severance and facility charge ⁽⁶⁾	93.7	54.7	93.7	54.7	
Litigation-related insurance proceeds ⁽⁸⁾	-	-	(38.2)	-	
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾	-	20.0	-	20.0	
Allowance on reinsurance recoverable ⁽¹⁰⁾	-	-	-	42.2	
Total operating expenses (GAAP measure)	(E) \$ 1,791.2	\$ 1,517.9	\$ 6,383.0	\$ 5,751.5	
Operating Expense Ratios:					
Operating expense ratio ⁽¹⁾	(D)/(A)	19.5 %	18.1 %	18.2 %	17.8 %
Business segment operating expense ratio ⁽¹⁾	(C)/(A)	18.8 %	18.6 %	17.6 %	18.3 %
Total operating expense ratio (GAAP measure)	(E)/(B)	20.5 %	19.6 %	18.4 %	18.6 %

Refer to page 14 and 15 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		Twelve Months Ended	
		December 31, 2009	December 31, 2008	December 31, 2009	December 31, 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)	\$ 417.1	\$ 704.0	\$ 2,446.9	\$ 3,100.4
Corporate Financing pension (expense) benefit ⁽⁵⁾		(58.7)	36.9	(234.8)	147.4
Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets	(B)	358.4	740.9	2,212.1	3,247.8
Interest expense		(60.6)	(64.9)	(243.4)	(236.4)
Amortization of other acquired intangible assets		(24.3)	(27.7)	(97.2)	(108.2)
Severance and facility charge ⁽⁶⁾		(93.7)	(54.7)	(93.7)	(54.7)
ESI settlement ⁽⁷⁾		30.2	-	30.2	-
Litigation-related insurance proceeds ⁽⁸⁾		-	-	38.2	-
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾		-	(20.0)	-	(20.0)
Allowance on reinsurance recoverable ⁽¹⁰⁾		-	-	-	(42.2)
Reduction of reserve for anticipated future losses on discontinued products ⁽¹¹⁾		-	-	-	43.8
Net realized capital gains (losses)		28.6	(218.5)	55.0	(655.9)
Income before income taxes (GAAP measure)		\$ 238.6	\$ 355.1	\$ 1,901.2	\$ 2,174.2
Reconciliation to Net Income					
Operating earnings, excluding interest expense, Corporate Financing pension (expense) benefit and amortization of other acquired intangible assets		\$ 271.9	\$ 484.6	\$ 1,611.9	\$ 2,049.1
Corporate Financing pension (expense) benefit ⁽⁵⁾		(38.1)	23.9	(152.6)	95.8
Operating earnings, excluding interest expense and amortization of other acquired intangible assets		233.8	508.5	1,459.3	2,144.9
Interest expense, net of tax		(39.4)	(42.2)	(158.2)	(153.7)
Amortization of other acquired intangible assets, net of tax		(15.8)	(18.0)	(63.2)	(70.3)
Severance and facility charge, net of tax ⁽⁶⁾		(60.9)	(35.6)	(60.9)	(35.6)
ESI settlement, net of tax ⁽⁷⁾		19.6	-	19.6	-
Litigation-related insurance proceeds, net of tax ⁽⁸⁾		-	-	24.9	-
Contribution for the establishment of an out-of-network pricing database ⁽⁹⁾		-	(20.0)	-	(20.0)
Allowance on reinsurance recoverable, net of tax ⁽¹⁰⁾		-	-	-	(27.4)
Reduction of reserve for anticipated future losses on discontinued products, net of tax ⁽¹¹⁾		-	-	-	28.5
Net realized capital gains (losses), net of tax		28.6	(198.0)	55.0	(482.3)
Net income (GAAP measure)	(C)	\$ 165.9	\$ 194.7	\$ 1,276.5	\$ 1,384.1
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses) and an other item	(D)	\$ 8,697.4	\$ 7,977.8	\$ 34,678.9	\$ 31,606.6
ESI settlement ⁽⁷⁾		30.2	-	30.2	-
Net realized capital gains (losses)		28.6	(218.5)	55.0	(655.9)
Total revenue (GAAP measure)	(E)	\$ 8,756.2	\$ 7,759.3	\$ 34,764.1	\$ 30,950.7
Operating Margin					
Business Segments - pretax operating margin ⁽¹⁾	(A)/(D)	4.8 %	8.8 %	7.1 %	9.8 %
Total Company - pretax operating margin ⁽¹⁾	(B)/(D)	4.1 %	9.3 %	6.4 %	10.3 %
Total Company - after-tax net income margin	(C)/(E)	1.9 %	2.5 %	3.7 %	4.5 %

Refer to page 14 and 15 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 and the ESI settlement (refer to ⁽⁷⁾ below for additional information). 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 twelve months ended December 31, 2009 and 2008. Prior periods have been reclassified to reflect this change.

(Millions)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008	2009	2008
Pretax - Pension Expense				
Operating component (allocated by business segments)	\$ 10.6	\$ 9.5	\$ 42.6	\$ 37.8
Financing component (allocated to Corporate Financing segment)	58.7	(36.9)	234.8	(147.4)
Total pension expense (benefit) - pretax	\$ 69.3	\$ (27.4)	\$ 277.4	\$ (109.6)
After tax - Pension Expense				
Operating component (allocated by business segments)	\$ 7.0	\$ 6.2	\$ 27.7	\$ 24.6
Financing component (allocated to Corporate Financing segment)	38.1	(23.9)	152.6	(95.8)
Total pension expense (benefit) - after tax	\$ 45.1	\$ (17.7)	\$ 180.3	\$ (71.2)

- (6) In 2009 and 2008, we recorded a severance and facility charge of \$60.9 million (\$93.7 million pretax) and \$35.6 million (\$54.7 million pretax), respectively. The 2009 severance and facility charge related to actions taken or committed to be taken by the end of first quarter of 2010.
- (7) In 2009, we reached an agreement with Express Scripts, Inc. and one of its subsidiaries (collectively "ESI") to settle certain litigation in which we were the plaintiff. Under the applicable settlement, we received approximately \$19.6 million (\$30.2 million pretax), net of fees and expenses.
- (8) Following a Pennsylvania Supreme Court ruling in June 2009, we received \$24.9 million (\$38.2 million pretax) 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.
- (9) As a result of our agreement with the New York Attorney General to discontinue the use of Ingenix databases at a future date, in 2008, we committed to contribute \$20.0 million to a non-profit organization to help create a new independent database for determining out-of-network reimbursement rates. We made that contribution in October 2009.
- (10) As a result of the liquidation proceedings of Lehman Re Ltd. ("Lehman Re"), a subsidiary of Lehman Brothers Holdings Inc., we recorded an allowance against our reinsurance recoverable from Lehman Re of \$27.4 million (\$42.2 million pretax) in 2008. This reinsurance is on a closed block of paid-up group whole life insurance business.
- (11) In 1993, we discontinued the sale of our fully guaranteed large case pension products and established a reserve for anticipated future losses on these products, which we review quarterly. Changes in this reserve are recognized when deemed appropriate. We reduced the reserve for anticipated future losses on discontinued products by \$28.5 million (\$43.8 million pretax) in 2008. We believe excluding any changes to the reserve for anticipated future losses on discontinued products provides more meaningful information as to our continuing products and is consistent with the treatment of the results of operations of these discontinued products, which are credited or charged to the reserve and do not affect our results of operations.

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.