

Financial Supplement

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This document is supplemental to our second quarter 2010 earnings press release issued on July 27, 2010 and should be read in conjunction therewith and in conjunction with our Quarterly Report on Form 10-Q for the quarter ended June 30, 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 June 30,			Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
<u>Operating Earnings</u> ⁽¹⁾						
Business Segments:						
Health Care	\$ 467.4	\$ 336.0	39.1 %	\$ 927.5	\$ 805.4	15.2 %
Group Insurance	44.4	42.5	4.5 %	72.9	84.6	(13.8) %
Large Case Pensions	6.1	7.7	(20.8) %	15.8	16.9	(6.5) %
Total - Business Segments	517.9	386.2	34.1 %	1,016.2	906.9	12.1 %
Corporate Financing ⁽²⁾	(67.7)	(77.7)	12.9 %	(135.4)	(155.8)	13.1 %
Aetna Inc.	\$ 450.2	\$ 308.5	45.9 %	\$ 880.8	\$ 751.1	17.3 %
Aetna Inc. per common share	\$ 1.05	\$.68	54.4 %	\$ 2.03	\$ 1.65	23.0 %
<u>Net Income</u>						
Aetna Inc.	\$ 491.0	\$ 346.6	41.7 %	\$ 1,053.6	\$ 784.4	34.3 %
Aetna Inc. per common share	\$ 1.14	\$.77	48.1 %	\$ 2.42	\$ 1.72	40.7 %
Weighted average common shares - diluted	430.2	450.7	(4.5) %	434.9	456.1	(4.6) %
<u>Operating Margin</u>						
Total Company - pretax operating margin ⁽¹⁾	9.2 %	6.3 %	2.9 pts.	8.9 %	7.6 %	1.3 pts.
Total Company - after-tax net income margin (GAAP Measure)	5.7 %	4.0 %	1.7 pts.	6.1 %	4.5 %	1.6 pts.
<u>Revenue by Segment</u> ⁽¹⁾						
Health Care	\$ 7,864.3	\$ 7,987.9	(1.5) %	\$ 15,737.5	\$ 15,940.2	(1.3) %
Group Insurance	517.0	535.7	(3.5) %	1,046.9	1,062.9	(1.5) %
Large Case Pensions	121.1	134.0	(9.6) %	262.8	274.0	(4.1) %
Total Revenue	\$ 8,502.4	\$ 8,657.6	(1.8) %	\$ 17,047.2	\$ 17,277.1	(1.3) %
Operating Expense Ratio ⁽¹⁾	18.6 %	17.4 %	1.2 pts.	18.6 %	17.7 %	.9 pts.
Business Segment Operating Expense Ratio ⁽¹⁾	18.1 %	16.7 %	1.4 pts.	18.1 %	17.0 %	1.1 pts.

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

Health Care and Group Insurance Statistics

(Millions)	Three Months Ended June 30,			Six Months Ended June 30,		
	2010	2009	Change	2010	2009	Change
Health Care						
Premiums						
Commercial	\$ 5,148.4	\$ 5,370.0	(4.1) %	\$ 10,291.8	\$ 10,692.0	(3.7) %
Medicare	1,507.2	1,417.9	6.3 %	3,026.5	2,879.0	5.1 %
Medicaid	259.6	242.6	7.0 %	492.0	451.7	8.9 %
Health Care	\$ 6,915.2	\$ 7,030.5	(1.6) %	\$ 13,810.3	\$ 14,022.7	(1.5) %
Health Care Costs						
Commercial	\$ 4,124.1	\$ 4,611.0	(10.6) %	\$ 8,293.5	\$ 8,957.3	(7.4) %
Medicare	1,302.9	1,267.7	2.8 %	2,624.9	2,536.0	3.5 %
Medicaid	231.6	223.7	3.5 %	431.2	413.3	4.3 %
Health Care	\$ 5,658.6	\$ 6,102.4	(7.3) %	\$ 11,349.6	\$ 11,906.6	(4.7) %
Medical Benefit Ratios ("MBR")						
Commercial	80.1 %	85.9 %	(5.8) pts.	80.6 %	83.8 %	(3.2) pts.
Medicare	86.4 %	89.4 %	(3.0) pts.	86.7 %	88.1 %	(1.4) pts.
Medicaid	89.2 %	92.2 %	(3.0) pts.	87.6 %	91.5 %	(3.9) pts.
Health Care	81.8 %	86.8 %	(5.0) pts.	82.2 %	84.9 %	(2.7) pts.
Group Insurance						
Benefit ratio	87.4 %	87.0 %	.4 pts.	89.9 %	86.6 %	3.3 pts.

Days Claims Payable

	June 30, 2010	March 31, 2010	December 31, 2009	September 30, 2009	June 30, 2009
	43.2	46.9	43.8	43.8	41.2

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

Health Care Membership

(Thousands)	June 30, 2010			March 31, 2010			December 31, 2009			June 30, 2009		
	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total	Insured	ASC	Total
Products												
Medical:												
Commercial	5,133	11,887	17,020	5,198	11,978	17,176	5,614	11,821	17,435	5,692	11,960	17,652
Medicare	451	-	451	451	-	451	433	-	433	423	-	423
Medicaid	343	788	1,131	315	746	1,061	310	736	1,046	291	686	977
Total Medical	5,927	12,675	18,602	5,964	12,724	18,688	6,357	12,557	18,914	6,406	12,646	19,052
Consumer-Directed Health Plans ⁽³⁾			<u>2,221</u>			<u>2,206</u>			<u>1,868</u>			<u>1,827</u>
Dental:												
Commercial	5,016	7,293	12,309	5,042	7,339	12,381	4,998	7,304	12,302	5,262	7,509	12,771
Medicare & Medicaid	155	450	605	137	435	572	260	432	692	249	404	653
Network Access ⁽⁴⁾	-	998	998	-	1,000	1,000	-	1,067	1,067	-	1,145	1,145
Total Dental	5,171	8,741	13,912	5,179	8,774	13,953	5,258	8,803	14,061	5,511	9,058	14,569
Pharmacy:												
Commercial			8,794			8,921			9,728			9,969
Medicare PDP (stand-alone)			637			601			346			328
Medicare Advantage PDP			234			233			240			227
Medicaid			30			30			30			27
Total Pharmacy Benefit Management Services			9,695			9,785			10,344			10,551
Mail Order ⁽⁵⁾			638			625			669			683
Total Pharmacy			10,333			10,410			11,013			11,234
Regions ⁽⁶⁾												
Northeast	1,866	2,718	4,584	1,869	2,723	4,592	1,952	2,669	4,621	1,988	2,702	4,690
Southeast	1,147	2,906	4,053	1,181	2,928	4,109	1,302	2,826	4,128	1,319	2,876	4,195
Mid-America	1,329	4,561	5,890	1,330	4,589	5,919	1,426	4,423	5,849	1,419	4,449	5,868
West	1,300	2,354	3,654	1,289	2,350	3,639	1,391	2,521	3,912	1,418	2,493	3,911
Other	285	136	421	295	134	429	286	118	404	262	126	388
Total Medical	5,927	12,675	18,602	5,964	12,724	18,688	6,357	12,557	18,914	6,406	12,646	19,052
Percent of Total	31.9%	68.1%	100.0%	31.9%	68.1%	100.0%	33.6%	66.4%	100.0%	33.6%	66.4%	100.0%

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

Statements of Net Income (Loss) by Segment

(Millions)	Health Care	Group Insurance	Large Case Pensions	Total Business Segments	Corporate Financing ⁽²⁾	Consolidated
Three Months Ended June 30, 2010						
Revenue:						
Premiums	\$ 6,915.2	\$ 424.3	\$ 36.2	\$ 7,375.7	\$ -	\$ 7,375.7
Fees and other revenue	844.2	26.1	2.7	873.0	-	873.0
Net investment income	104.9	66.6	82.2	253.7	-	253.7
Total revenue, excluding net realized capital gains ⁽¹⁾	7,864.3	517.0	121.1	8,502.4	-	8,502.4
Benefits and expenses:						
Health care costs	5,658.6	-	-	5,658.6	-	5,658.6
Current and future benefits	-	370.8	109.9	480.7	-	480.7
Operating expenses:						
Selling expenses	282.8	19.7	-	302.5	-	302.5
General and administrative expenses, excluding other items ⁽¹⁾	1,164.1	64.5	3.6	1,232.2	43.4	1,275.6
Total operating expenses	1,446.9	84.2	3.6	1,534.7	43.4	1,578.1
Interest expense	-	-	-	-	60.7	60.7
Amortization of other acquired intangible assets	22.5	1.7	-	24.2	-	24.2
Total benefits and expenses	7,128.0	456.7	113.5	7,698.2	104.1	7,802.3
Operating earnings (loss), before income taxes (benefits)	736.3	60.3	7.6	804.2	(104.1)	700.1
Income taxes (benefits)	268.9	15.9	1.5	286.3	(36.4)	249.9
Operating earnings (loss) ⁽¹⁾	467.4	44.4	6.1	517.9	(67.7)	450.2
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	13.0	-	-	13.0	-	13.0
Net realized capital gains, net of tax	14.2	6.1	7.5	27.8	-	27.8
Net income (loss)	\$ 494.6	\$ 50.5	\$ 13.6	\$ 558.7	\$ (67.7)	\$ 491.0

Three Months Ended June 30, 2009

Revenue:						
Premiums	\$ 7,030.5	\$ 438.5	\$ 37.4	\$ 7,506.4	\$ -	\$ 7,506.4
Fees and other revenue	861.8	27.8	2.8	892.4	-	892.4
Net investment income	95.6	69.4	93.8	258.8	-	258.8
Total revenue, excluding net realized capital gains ⁽¹⁾	7,987.9	535.7	134.0	8,657.6	-	8,657.6
Benefits and expenses:						
Health care costs	6,102.4	-	-	6,102.4	-	6,102.4
Current and future benefits	-	381.6	122.2	503.8	-	503.8
Operating expenses:						
Selling expenses	280.3	23.5	-	303.8	-	303.8
General and administrative expenses, excluding an other item ⁽¹⁾	1,065.9	71.5	2.3	1,139.7	58.7	1,198.4
Total operating expenses	1,346.2	95.0	2.3	1,443.5	58.7	1,502.2
Interest expense	-	-	-	-	60.7	60.7
Amortization of other acquired intangible assets	22.8	1.7	-	24.5	-	24.5
Total benefits and expenses	7,471.4	478.3	124.5	8,074.2	119.4	8,193.6
Operating earnings (loss), before income taxes (benefits)	516.5	57.4	9.5	583.4	(119.4)	464.0
Income taxes (benefits)	180.5	14.9	1.8	197.2	(41.7)	155.5
Operating earnings (loss) ⁽¹⁾	336.0	42.5	7.7	386.2	(77.7)	308.5
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	24.9	-	-	24.9	-	24.9
Net realized capital gains, net of tax	1.9	9.5	1.8	13.2	-	13.2
Net income (loss)	\$ 362.8	\$ 52.0	\$ 9.5	\$ 424.3	\$ (77.7)	\$ 346.6

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

Statements of Net Income (Loss) by Segment

(Millions)	Health Care	Group Insurance	Large Case Pensions	Total Business Segments	Corporate Financing ⁽²⁾	Consolidated
Six Months Ended June 30, 2010						
Revenue:						
Premiums	\$ 13,810.3	\$ 856.4	\$ 78.8	\$ 14,745.5	\$ -	\$ 14,745.5
Fees and other revenue	1,714.5	52.9	5.4	1,772.8	-	1,772.8
Net investment income	212.7	137.6	178.6	528.9	-	528.9
Total revenue, excluding net realized capital gains ⁽¹⁾	15,737.5	1,046.9	262.8	17,047.2	-	17,047.2
Benefits and expenses:						
Health care costs	11,349.6	-	-	11,349.6	-	11,349.6
Current and future benefits	-	770.3	237.4	1,007.7	-	1,007.7
Operating expenses:						
Selling expenses	581.0	43.0	-	624.0	-	624.0
General and administrative expenses, excluding other items ⁽¹⁾	2,317.5	131.7	5.4	2,454.6	86.7	2,541.3
Total operating expenses	2,898.5	174.7	5.4	3,078.6	86.7	3,165.3
Interest expense	-	-	-	-	121.6	121.6
Amortization of other acquired intangible assets	45.2	3.4	-	48.6	-	48.6
Total benefits and expenses	14,293.3	948.4	242.8	15,484.5	208.3	15,692.8
Operating earnings (loss), before income taxes (benefits)	1,444.2	98.5	20.0	1,562.7	(208.3)	1,354.4
Income taxes (benefits)	516.7	25.6	4.2	546.5	(72.9)	473.6
Operating earnings (loss) ⁽¹⁾	927.5	72.9	15.8	1,016.2	(135.4)	880.8
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	58.5	-	-	58.5	-	58.5
Net realized capital gains, net of tax	70.5	31.0	12.8	114.3	-	114.3
Net income (loss)	\$ 1,056.5	\$ 103.9	\$ 28.6	\$ 1,189.0	\$ (135.4)	\$ 1,053.6

Six Months Ended June 30, 2009						
Revenue:						
Premiums	\$ 14,022.7	\$ 873.9	\$ 87.1	\$ 14,983.7	\$ -	\$ 14,983.7
Fees and other revenue	1,724.2	55.5	5.7	1,785.4	-	1,785.4
Net investment income	193.3	133.5	181.2	508.0	-	508.0
Total revenue, excluding net realized capital (losses) gains ⁽¹⁾	15,940.2	1,062.9	274.0	17,277.1	-	17,277.1
Benefits and expenses:						
Health care costs	11,906.6	-	-	11,906.6	-	11,906.6
Current and future benefits	-	757.2	249.9	1,007.1	-	1,007.1
Operating expenses:						
Selling expenses	579.4	46.9	-	626.3	-	626.3
General and administrative expenses, excluding an other item ⁽¹⁾	2,167.6	139.9	3.2	2,310.7	117.5	2,428.2
Total operating expenses	2,747.0	186.8	3.2	2,937.0	117.5	3,054.5
Interest expense	-	-	-	-	122.2	122.2
Amortization of other acquired intangible assets	45.6	3.4	-	49.0	-	49.0
Total benefits and expenses	14,699.2	947.4	253.1	15,899.7	239.7	16,139.4
Operating earnings (loss), before income taxes (benefits)	1,241.0	115.5	20.9	1,377.4	(239.7)	1,137.7
Income taxes (benefits)	435.6	30.9	4.0	470.5	(83.9)	386.6
Operating earnings (loss) ⁽¹⁾	805.4	84.6	16.9	906.9	(155.8)	751.1
Litigation-related insurance proceeds, net of tax ⁽⁷⁾	24.9	-	-	24.9	-	24.9
Net realized capital (losses) gains, net of tax	(3.9)	13.5	(1.2)	8.4	-	8.4
Net income (loss)	\$ 826.4	\$ 98.1	\$ 15.7	\$ 940.2	\$ (155.8)	\$ 784.4

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

Balance Sheets

(Millions)	June 30, 2010			December 31, 2009		
	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	\$ 1,240.9	\$ 165.1	\$ 1,406.0	\$ 1,030.3	\$ 173.3	\$ 1,203.6
Investments	1,904.5	476.0	2,380.5	2,406.6	516.1	2,922.7
Premiums receivable, net	847.6	-	847.6	630.4	-	630.4
Other receivables, net	675.3	39.0	714.3	602.3	24.4	626.7
Accrued investment income	149.3	63.2	212.5	146.8	62.4	209.2
Collateral received under securities loan agreements	358.3	72.4	430.7	165.8	44.2	210.0
Income taxes receivable	52.7	39.1	91.8	30.4	59.1	89.5
Deferred income taxes	219.6	(18.2)	201.4	360.4	23.0	383.4
Other current assets	627.4	1.8	629.2	543.5	7.9	551.4
Total current assets	6,075.6	838.4	6,914.0	5,916.5	910.4	6,826.9
Long-term investments	12,445.0	5,622.2	18,067.2	11,554.9	5,496.2	17,051.1
Reinsurance recoverables	959.1	9.6	968.7	976.8	10.1	986.9
Goodwill	5,145.7	-	5,145.7	5,146.2	-	5,146.2
Other acquired intangible assets, net	542.1	-	542.1	590.7	-	590.7
Property and equipment, net	528.9	22.0	550.9	526.6	24.4	551.0
Deferred income taxes	180.5	141.3	321.8	209.3	124.1	333.4
Other long-term assets	765.6	-	765.6	781.1	-	781.1
Separate Accounts assets	-	5,071.8	5,071.8	-	6,283.1	6,283.1
Total assets	\$ 26,642.5	\$ 11,705.3	\$ 38,347.8	\$ 25,702.1	\$ 12,848.3	\$ 38,550.4
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 2,685.7	\$ -	\$ 2,685.7	\$ 2,895.3	\$ -	\$ 2,895.3
Future policy benefits	144.2	583.9	728.1	147.6	592.0	739.6
Unpaid claims	558.9	.6	559.5	558.9	.6	559.5
Unearned premiums	357.9	6.3	364.2	301.0	5.4	306.4
Policyholders' funds	813.7	34.3	848.0	753.6	34.7	788.3
Collateral payable under securities loan agreements	358.4	72.4	430.8	165.8	44.2	210.0
Short-term debt	450.0	-	450.0	480.8	-	480.8
Current portion of long-term debt	899.7	-	899.7	-	-	-
Accrued expenses and other current liabilities	2,328.8	274.1	2,602.9	2,260.6	223.7	2,484.3
Total current liabilities	8,597.3	971.6	9,568.9	7,563.6	900.6	8,464.2
Future policy benefits	1,745.8	4,640.6	6,386.4	1,793.9	4,676.2	6,470.1
Unpaid claims	1,470.1	-	1,470.1	1,453.0	-	1,453.0
Policyholders' funds	590.0	740.8	1,330.8	598.0	696.1	1,294.1
Long-term debt	2,740.5	-	2,740.5	3,639.5	-	3,639.5
Other long-term liabilities	1,431.8	1.2	1,433.0	1,441.2	1.4	1,442.6
Separate Accounts liabilities	-	5,071.8	5,071.8	-	6,283.1	6,283.1
Total liabilities	16,575.5	11,426.0	28,001.5	16,489.2	12,557.4	29,046.6
Shareholders' equity	10,067.0	279.3	10,346.3	9,212.9	290.9	9,503.8
Total liabilities and shareholders' equity	\$ 26,642.5	\$ 11,705.3	\$ 38,347.8	\$ 25,702.1	\$ 12,848.3	\$ 38,550.4

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

Condensed Statements of Cash Flows

Three Months Ended

(Millions)	June 30, 2010			June 30, 2009		
	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	\$ 477.4	\$ 13.6	\$ 491.0	\$ 337.1	\$ 9.5	\$ 346.6
Adjustments to reconcile net income to net cash (used for) provided by operating activities:						
Net realized capital gains	(31.9)	(11.5)	(43.4)	(11.4)	(1.8)	(13.2)
Depreciation and amortization	104.0	-	104.0	103.9	-	103.9
Equity in earnings of affiliates, net	6.2	(4.5)	1.7	6.0	(5.4)	.6
Stock-based compensation expense	29.7	-	29.7	18.5	-	18.5
Accretion of net investment discount	(.7)	(2.1)	(2.8)	(12.9)	(6.1)	(19.0)
Changes in assets and liabilities:						
Accrued investment income	.7	2.8	3.5	(9.7)	2.6	(7.1)
Premiums due and other receivables	(126.9)	.7	(126.2)	(36.3)	(.8)	(37.1)
Income taxes	(175.7)	(3.0)	(178.7)	(220.6)	1.5	(219.1)
Other assets and other liabilities	90.8	2.5	93.3	(2.8)	3.7	.9
Health care and insurance liabilities	(383.7)	(69.9)	(453.6)	(13.7)	(60.5)	(74.2)
Other, net	(1.2)	.2	(1.0)	.3	(.7)	(.4)
Net cash (used for) provided by operating activities	(11.3)	(71.2)	(82.5)	158.4	(58.0)	100.4
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	2,382.8	630.1	3,012.9	2,103.8	367.3	2,471.1
Cost of investments purchased	(2,146.4)	(523.5)	(2,669.9)	(2,468.3)	(414.7)	(2,883.0)
Additions to property, equipment and software	(70.0)	-	(70.0)	(79.7)	-	(79.7)
Cash used for acquisitions, net of cash acquired	-	-	-	(6.1)	-	(6.1)
Net cash provided by (used for) investing activities	166.4	106.6	273.0	(450.3)	(47.4)	(497.7)
Cash flows from financing activities:						
Net (repayment) issuance of short-term debt	(29.5)	-	(29.5)	94.7	-	94.7
Deposits and interest credited for investment contracts	-	1.5	1.5	-	1.5	1.5
Withdrawals of investment contracts	-	(2.1)	(2.1)	-	(3.2)	(3.2)
Common shares issued under benefit plans	5.7	-	5.7	(.4)	-	(.4)
Stock-based compensation tax benefits	4.1	-	4.1	1.1	-	1.1
Common shares repurchased	(304.5)	-	(304.5)	(269.2)	-	(269.2)
Collateral on interest rate swaps	(30.1)	-	(30.1)	33.0	-	33.0
Other, net	(1.1)	1.1	-	(4.8)	4.8	-
Net cash (used for) provided by financing activities	(355.4)	.5	(354.9)	(145.6)	3.1	(142.5)
Net (decrease) increase in cash and cash equivalents	(200.3)	35.9	(164.4)	(437.5)	(102.3)	(539.8)
Cash and cash equivalents, beginning of period	1,441.2	129.2	1,570.4	1,494.2	253.1	1,747.3
Cash and cash equivalents, end of period	\$ 1,240.9	\$ 165.1	\$ 1,406.0	\$ 1,056.7	\$ 150.8	\$ 1,207.5

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

Condensed Statements of Cash Flows

(Millions)	Six Months Ended					
	June 30, 2010			June 30, 2009		
	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	\$ 1,025.0	\$ 28.6	\$ 1,053.6	\$ 768.7	\$ 15.7	\$ 784.4
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Net realized capital (gains) losses	(103.5)	(16.6)	(120.1)	(9.6)	1.2	(8.4)
Depreciation and amortization	206.3	-	206.3	200.9	-	200.9
Equity in earnings of affiliates, net	9.0	(18.7)	(9.7)	13.5	(2.7)	10.8
Stock-based compensation expense	57.3	-	57.3	55.7	-	55.7
Accretion of net investment discount	(8.8)	(5.6)	(14.4)	(22.7)	(12.8)	(35.5)
Changes in assets and liabilities:						
Accrued investment income	(2.5)	(.8)	(3.3)	(7.1)	4.0	(3.1)
Premiums due and other receivables	(220.3)	.8	(219.5)	(293.7)	(.3)	(294.0)
Income taxes	44.9	12.0	56.9	(6.0)	3.6	(2.4)
Other assets and other liabilities	43.9	(16.7)	27.2	(66.3)	(1.5)	(67.8)
Health care and insurance liabilities	(161.6)	(117.3)	(278.9)	400.9	(113.4)	287.5
Other, net	.1	(.7)	(.6)	(.2)	(1.2)	(1.4)
Net cash provided by (used for) operating activities	889.8	(135.0)	754.8	1,034.1	(107.4)	926.7
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	4,369.8	1,105.3	5,475.1	3,980.2	981.6	4,961.8
Cost of investments purchased	(4,423.1)	(933.2)	(5,356.3)	(4,436.4)	(733.9)	(5,170.3)
Additions to property, equipment and software	(144.5)	-	(144.5)	(168.3)	-	(168.3)
Cash used for acquisitions, net of cash acquired	(.1)	-	(.1)	(6.1)	-	(6.1)
Net cash (used for) provided by investing activities	(197.9)	172.1	(25.8)	(630.6)	247.7	(382.9)
Cash flows from financing activities:						
Net repayment of short-term debt	(30.8)	-	(30.8)	(20.1)	-	(20.1)
Deposits and interest credited for investment contracts	-	3.1	3.1	-	3.4	3.4
Withdrawals of investment contracts	-	(5.8)	(5.8)	-	(7.1)	(7.1)
Common shares issued under benefit plans	9.3	-	9.3	3.3	-	3.3
Stock-based compensation tax benefits	3.1	-	3.1	4.7	-	4.7
Common shares repurchased	(466.5)	-	(466.5)	(533.0)	-	(533.0)
Intersegment dividend	43.8	(43.8)	-	147.7	(147.7)	-
Collateral on interest rate swaps	(39.0)	-	(39.0)	33.0	-	33.0
Other, net	(1.2)	1.2	-	(5.9)	5.9	-
Net cash used for financing activities	(481.3)	(45.3)	(526.6)	(370.3)	(145.5)	(515.8)
Net increase (decrease) in cash and cash equivalents	210.6	(8.2)	202.4	33.2	(5.2)	28.0
Cash and cash equivalents, beginning of period	1,030.3	173.3	1,203.6	1,023.5	156.0	1,179.5
Cash and cash equivalents, end of period	\$ 1,240.9	\$ 165.1	\$ 1,406.0	\$ 1,056.7	\$ 150.8	\$ 1,207.5

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

Roll Forward of Health Care Costs Payable

(Millions)	Six Months Ended		Year Ended December 31,		
	June 30,		2009	2008	2007
	2010				
Health care costs payable at beginning of period	\$ 2,895.3	\$	2,393.2	\$ 2,177.4	\$ 1,927.5
Less: reinsurance recoverables	1.9		2.0	2.9	3.7
Health care costs payable at beginning of period - net	2,893.4		2,391.2	2,174.5	1,923.8
Acquisition of businesses	-		1.1	-	58.1
Incurred health care costs:					
Current year	11,708.1		24,127.2	20,948.5	17,472.0
Prior years *	(358.5)		(66.0)	(163.0)	(177.2)
Total incurred health care costs	11,349.6		24,061.2	20,785.5	17,294.8
Paid health care costs:					
Current year	9,317.9		21,401.1	18,726.4	15,528.5
Prior years	2,241.1		2,159.0	1,842.4	1,573.7
Total paid health care costs	11,559.0		23,560.1	20,568.8	17,102.2
Health care costs payable at end of period - net	2,684.0		2,893.4	2,391.2	2,174.5
Plus: reinsurance recoverables	1.7		1.9	2.0	2.9
Health care costs payable at end of period	\$ 2,685.7	\$	2,895.3	\$ 2,393.2	\$ 2,177.4
Health care costs payable:					
Incurred but not reported claims	\$ 2,373.4	\$	2,556.8	\$ 2,059.9	\$ 1,745.6
Other claims	312.3		338.5	333.3	431.8
Total health care costs payable	\$ 2,685.7	\$	2,895.3	\$ 2,393.2	\$ 2,177.4

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

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

Investment Portfolio
At June 30, 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
Debt and equity securities:								
Debt securities:								
U.S. government securities	\$ 1,582.1	\$ 27.9	\$ 1,610.0	9.9%	\$ 217.2	3.9%	\$ 1,827.2	8.4%
States, municipalities and political subdivisions	2,239.2	4.0	2,243.2	13.7%	105.7	1.9%	2,348.9	10.7%
U.S. corporate securities	4,687.0	255.1	4,942.1	30.3%	2,323.3	41.8%	7,265.4	33.2%
Foreign securities	1,959.6	93.4	2,053.0	12.6%	848.4	15.3%	2,901.4	13.3%
Residential mortgage-backed securities	1,137.6	145.9	1,283.5	7.9%	53.2	.9%	1,336.7	6.1%
Commercial mortgage-backed securities	841.2	77.3	918.5	5.6%	298.4	5.4%	1,216.9	5.6%
Other asset-backed securities	448.5	41.0	489.5	3.0%	67.5	1.2%	557.0	2.5%
Redeemable preferred securities	111.1	13.3	124.4	.8%	121.2	2.2%	245.6	1.1%
Total debt securities	13,006.3	657.9	13,664.2	83.8%	4,034.9	72.6%	17,699.1	80.9%
Equity securities	1.1	-	1.1	-	33.5	.6%	34.6	.2%
Total debt and equity securities	13,007.4	657.9	13,665.3	83.8%	4,068.4	73.2%	17,733.7	81.1%
Mortgage loans	784.6	12.8	797.4	4.9%	723.0	13.0%	1,520.4	7.0%
Other investments:								
Real estate	97.5	.4	97.9	.6%	54.0	1.0%	151.9	.7%
Hedge funds	168.2	-	168.2	1.0%	352.9	6.4%	521.1	2.4%
Private equity	100.4	7.4	107.8	.7%	208.0	3.7%	315.8	1.4%
Other	191.4	13.4	204.8	1.3%	-	-	204.8	1.0%
Total other investments	557.5	21.2	578.7	3.6%	614.9	11.1%	1,193.6	5.5%
Total investments	14,349.5	691.9	15,041.4	92.3%	5,406.3	97.3%	20,447.7	93.6%
Cash and cash equivalents	1,240.9	14.6	1,255.5	7.7%	150.5	2.7%	1,406.0	6.4%
Total investments, cash and cash equivalents	\$ 15,590.4	\$ 706.5	\$ 16,296.9		\$ 5,556.8		\$ 21,853.7	
Average credit quality	A+	A	A+		A		A+	
Average duration (years) ⁽⁸⁾	4.5	4.4	4.5		6.7		5.1	

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

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

(Millions, except per common share data)	Three Months Ended		Six Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Summary of Results				
Operating earnings, excluding prior-period reserve development ⁽⁹⁾	\$ 322.6	\$ 350.8		
Favorable (unfavorable) development of prior-period health care cost estimates	127.6	(42.3)		
Operating earnings	450.2	308.5	\$ 880.8	\$ 751.1
Litigation-related insurance proceeds ⁽⁷⁾	13.0	24.9	58.5	24.9
Net realized capital gains	27.8	13.2	114.3	8.4
Net income (GAAP measure)	\$ 491.0	\$ 346.6	\$ 1,053.6	\$ 784.4
Weighted average common shares - diluted	430.2	450.7	434.9	456.1
Summary of Results Per Common Share				
Operating earnings, excluding prior-period reserve development	\$.75	\$.77		
Favorable (unfavorable) development of prior-period health care cost estimates	.30	(.09)		
Operating earnings	1.05	.68	\$ 2.03	\$ 1.65
Litigation-related insurance proceeds ⁽⁷⁾	.03	.06	.13	.05
Net realized capital gains	.06	.03	.26	.02
Net income (GAAP measure)	\$ 1.14	\$.77	\$ 2.42	\$ 1.72
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)			\$ 889.8	\$ 1,034.1
Operating earnings: Health Care, Group Insurance and Corporate Financing excluding Corporate Financing pension expense (B)			\$ 921.4	\$ 810.6
Corporate Financing pension expense ⁽²⁾			(56.4)	(76.4)
Operating earnings: Health Care, Group Insurance and Corporate Financing			865.0	734.2
Litigation-related insurance proceeds, net of tax ⁽⁷⁾			58.5	24.9
Net realized capital gains, net of tax			101.5	9.6
Net income: Health Care, Group Insurance and Corporate Financing (C)			\$ 1,025.0	\$ 768.7
Operating cash flow as a percentage of operating earnings excluding Corporate Financing pension expense (A)/(B)			96.6%	127.6%
Operating cash flow as a percentage of net income (A)/(C)			86.8%	134.5%

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

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

(Millions)	Three Months Ended		Six Months Ended		
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	
Health Care					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses)	\$ 7,864.3	\$ 7,987.9	\$ 15,737.5	\$ 15,940.2	
Net realized capital gains (losses)	22.4	1.9	67.8	(3.9)	
Total revenue (GAAP measure)	\$ 7,886.7	\$ 7,989.8	\$ 15,805.3	\$ 15,936.3	
Commercial Medical Benefit Ratio, Excluding Prior-Period Reserve Development⁽⁹⁾					
Premiums	\$ 5,148.4	\$ 5,370.0	\$ 10,291.8	\$ 10,692.0	
Health care costs (GAAP measure)	\$ 4,124.1	\$ 4,611.0	\$ 8,293.5	\$ 8,957.3	
Favorable (unfavorable) development of prior-period health care cost estimates	160.4	(65.4)	91.6		
Health care costs, excluding prior-period development	\$ 4,284.5	\$ 4,545.6	\$ 8,385.1		
Commercial MBR (GAAP measure)	80.1%	85.9%	80.6%	83.8%	
Commercial MBR, excluding prior-period reserve development ⁽⁹⁾	83.2%	84.6%	81.5%		
Group Insurance					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains	\$ 517.0	\$ 535.7	\$ 1,046.9	\$ 1,062.9	
Net realized capital gains	9.5	9.5	35.7	13.5	
Total revenue (GAAP measure)	\$ 526.5	\$ 545.2	\$ 1,082.6	\$ 1,076.4	
Large Case Pensions					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains (losses)	\$ 121.1	\$ 134.0	\$ 262.8	\$ 274.0	
Net realized capital gains (losses)	11.5	1.8	16.6	(1.2)	
Total revenue (GAAP measure)	\$ 132.6	\$ 135.8	\$ 279.4	\$ 272.8	
Total Company					
Reconciliation of Revenue					
Revenue, excluding net realized capital gains	(A) \$ 8,502.4	\$ 8,657.6	\$ 17,047.2	\$ 17,277.1	
Net realized capital gains	43.4	13.2	120.1	8.4	
Total revenue (GAAP measure)	(B) \$ 8,545.8	\$ 8,670.8	\$ 17,167.3	\$ 17,285.5	
Reconciliation of Operating Expenses					
Business segment operating expenses	(C) \$ 1,534.7	\$ 1,443.5	\$ 3,078.6	\$ 2,937.0	
Corporate Financing segment operating expenses	43.4	58.7	86.7	117.5	
Operating expenses, including Corporate Financing	(D) 1,578.1	1,502.2	3,165.3	3,054.5	
Litigation-related insurance proceeds ⁽⁷⁾	(20.0)	(38.2)	(90.0)	(38.2)	
Total operating expenses (GAAP measure)	(E) \$ 1,558.1	\$ 1,464.0	\$ 3,075.3	\$ 3,016.3	
Operating Expense Ratios:					
Operating expense ratio ⁽¹⁾	(D)/(A)	18.6 %	17.4 %	18.6 %	17.7 %
Business segment operating expense ratio ⁽¹⁾	(C)/(A)	18.1 %	16.7 %	18.1 %	17.0 %
Total operating expense ratio (GAAP measure)	(E)/(B)	18.2 %	16.9 %	17.9 %	17.4 %

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

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

(Millions)		Three Months Ended		Six Months Ended	
		June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Reconciliation to Income Before Income Taxes					
Operating earnings excluding prior-period reserve development ⁽⁹⁾ before income taxes, excluding interest expense, and amortization of other acquired intangible assets	(A)	\$ 586.4	\$ 614.2		
Favorable (unfavorable) development of prior-period health care cost estimates		198.6	(65.0)		
Operating earnings before income taxes, excluding interest expense and amortization of other acquired intangible assets	(B)	785.0	549.2	\$ 1,524.6	\$ 1,308.9
Interest expense		(60.7)	(60.7)	(121.6)	(122.2)
Amortization of other acquired intangible assets		(24.2)	(24.5)	(48.6)	(49.0)
Litigation-related insurance proceeds ⁽⁷⁾		20.0	38.2	90.0	38.2
Net realized capital gains		43.4	13.2	120.1	8.4
Income before income taxes (GAAP measure)		\$ 763.5	\$ 515.4	\$ 1,564.5	\$ 1,184.3
Reconciliation to Net Income					
Operating earnings, excluding prior-period reserve development ⁽⁹⁾ , excluding interest expense, and amortization of other acquired intangible assets	(C)	\$ 377.7	\$ 406.2		
Favorable (unfavorable) development of prior-period health care cost estimates		127.6	(42.3)		
Operating earnings, excluding interest expense and amortization of other acquired intangible assets		505.3	363.9	\$ 991.4	\$ 862.3
Interest expense, net of tax		(39.4)	(39.5)	(79.0)	(79.4)
Amortization of other acquired intangible assets, net of tax		(15.7)	(15.9)	(31.6)	(31.8)
Litigation-related insurance proceeds, net of tax ⁽⁷⁾		13.0	24.9	58.5	24.9
Net realized capital gains, net of tax		27.8	13.2	114.3	8.4
Net income (GAAP measure)	(D)	\$ 491.0	\$ 346.6	\$ 1,053.6	\$ 784.4
Reconciliation of Revenue					
Revenue, excluding net realized capital gains	(E)	\$ 8,502.4	\$ 8,657.6	\$ 17,047.2	\$ 17,277.1
Net realized capital gains		43.4	13.2	120.1	8.4
Total revenue (GAAP measure)	(F)	\$ 8,545.8	\$ 8,670.8	\$ 17,167.3	\$ 17,285.5
Operating Margin					
Total Company - pretax operating margin, excluding prior-period development ⁽⁹⁾	(A)/(E)	6.9 %	7.1 %		
Total Company - pretax operating margin ⁽¹⁾	(B)/(E)	9.2 %	6.3 %	8.9 %	7.6 %
Total Company - after-tax operating margin, excluding prior-period development ⁽⁹⁾	(C)/(E)	4.4 %	4.7 %		
Total Company - after-tax net income margin (GAAP measure)	(D)/(F)	5.7 %	4.0 %	6.1 %	4.5 %

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

Footnotes

- (1) In order to provide a comparison that we believe provides useful information regarding our underlying performance, all operating earnings metrics exclude net realized capital gains and losses and other items, if any, from net income. In addition, operating margins exclude interest expense and amortization of other acquired intangible assets. Also, revenue excludes net realized capital gains and losses. We use these measures to assess business performance and to make decisions regarding our operations and allocation of resources among our businesses. For a reconciliation of financial measures calculated under U.S. generally accepted accounting principles ("GAAP"), refer to pages 11-13.
- (2) 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 and six months ended June 30, 2010 and 2009.

(Millions)	Three Months Ended		Six Months Ended	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Pretax - Pension Expense				
Operating component (allocated to business segments)	\$ 13.9	\$ 10.7	\$ 27.9	\$ 21.3
Financing component (allocated to Corporate Financing segment)	43.4	58.7	86.7	117.5
Total pension expense - pretax	\$ 57.3	\$ 69.4	\$ 114.6	\$ 138.8
After tax - Pension Expense				
Operating component (allocated to business segments)	\$ 9.0	\$ 6.9	\$ 18.1	\$ 13.8
Financing component (allocated to Corporate Financing segment)	28.3	-	56.4	76.4
Total pension expense - after tax	\$ 37.3	\$ 6.9	\$ 74.5	\$ 90.2

- (3) Represents members in consumer-directed health plans included in our Commercial medical membership.
- (4) Represents members in products that allow these members access to our dental provider network for a nominal fee.
- (5) Represents members who purchased medications through our mail order pharmacy operations during the quarterly period and included in pharmacy membership.
- (6) 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.
- (7) Following a Pennsylvania Supreme Court ruling in June 2009, we recorded proceeds of \$13.0 million (\$20.0 million pretax) and \$58.5 million (\$90.0 million pretax), respectively, for the three and six months ended June 30, 2010, respectively, and \$24.9 million (\$38.2 million pretax) for the three and six months ended June 30, 2009 from 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.
- (8) Represents the average duration of our debt securities, mortgage loans and cash and cash equivalents at June 30, 2010, excluding equity and equity like investments that have no duration.
- (9) Certain metrics are adjusted to exclude significant development of prior-period health care cost estimates. These metrics include operating earnings, operating earnings per share and medical benefit ratios.

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.