

Financial Supplement

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This document is supplemental to the Company's third quarter 2004 earnings press release and should be read in conjunction therewith and in conjunction with the Company's September 30, 2004 Quarterly Report on Form 10-Q to be filed with the Securities and Exchange Commission. Please direct questions with respect to this material to David Entekin, Vice President - Investor Relations, Aetna Inc., 151 Farmington Avenue, RE2T, Hartford, Connecticut 06156. Telephone: 860-273-7830. Email: entekind@aetna.com.

Financial Statistics
(\$ in Millions, except per common share data)

	Three Months Ended					Nine Months Ended		
	Sep. 30, 2004	Sep. 30, 2003	Jun. 30, 2004	Change Sep. 30, 2004 - Sep. 30, 2003	Change Sep. 30, 2004 - Jun. 30, 2004	Sep. 30, 2004	Sep. 30, 2003	Change Sep. 30, 2004 - Sep. 30, 2003
<u>Aetna Inc. Operating Earnings *</u>								
Operating Earnings	\$ 289.5	\$ 207.1	\$ 282.6	39.8 %	2.4 %	\$ 880.9	\$ 726.9	21.2 %
Operating Earnings per Common Share	\$ 1.84	\$ 1.29	\$ 1.77	42.6 %	4.0 %	\$ 5.56	\$ 4.60	20.9 %
Operating Earnings - Adjusted	\$ 275.5	\$ 204.1	\$ 271.6	35.0 %	1.4 %			
Operating Earnings per Common Share - Adjusted	\$ 1.75	\$ 1.27	\$ 1.70	37.8 %	2.9 %			
<u>Pretax Operating Margin *</u>								
Aetna Inc.	9.7 %	8.1 %	9.9 %	1.6 pts.	(.2) pts.	10.1 %	9.4 %	.7 pts.
Aetna Inc. - Adjusted	9.3 %	8.0 %	9.5 %	1.3 pts.	(.2) pts.			
<u>After-tax Operating Margin *</u>								
Aetna Inc.	6.2 %	5.2 %	6.3 %	1.0 pts.	(.1) pts.	6.5 %	6.0 %	.5 pts.
Aetna Inc. - Adjusted	5.9 %	5.1 %	6.1 %	.8 pts.	(.2) pts.			
<u>Operating Expenses as % of Revenue *</u>								
Aetna Inc.	19.7 %	22.1 %	20.1 %	(2.4) pts.	(.4) pts.	20.1 %	22.6 %	(2.5) pts.
Health Care	21.3 %	24.3 %	21.8 %	(3.0) pts.	(.5) pts.	21.8 %	24.9 %	(3.1) pts.
Group Insurance	11.6 %	12.0 %	11.2 %	(.4) pts.	.4 pts.	11.4 %	11.9 %	(.5) pts.
Large Case Pensions	2.9 %	2.2 %	2.8 %	.7 pts.	.1 pts.	2.8 %	2.4 %	.4 pts.
<u>Revenue by Segment *</u>								
Health Care	\$ 4,356.5	\$ 3,823.4	\$ 4,228.3	13.9 %	3.0 %	\$ 12,720.7	\$ 11,424.9	11.3 %
Group Insurance	486.7	439.7	460.0	10.7 %	5.8 %	1,419.5	1,351.0	5.1 %
Large Case Pensions	176.7	192.5	180.9	(8.2) %	(2.3) %	544.1	575.9	(5.5) %
Total Revenue	<u>\$ 5,019.9</u>	<u>\$ 4,455.6</u>	<u>\$ 4,869.2</u>	12.7 %	3.1 %	<u>\$ 14,684.3</u>	<u>\$ 13,351.8</u>	10.0 %
<u>Net Investment Income by Segment</u>								
Health Care	\$ 64.3	\$ 57.6	\$ 63.9	11.6 %	.6 %	\$ 193.9	\$ 182.0	6.5 %
Group Insurance	63.7	62.8	66.0	1.4 %	(3.5) %	201.0	197.6	1.7 %
Large Case Pensions	125.9	147.7	130.3	(14.8) %	(3.4) %	390.7	437.8	(10.8) %
Total Net Investment Income	<u>\$ 253.9</u>	<u>\$ 268.1</u>	<u>\$ 260.2</u>	(5.3) %	(2.4) %	<u>\$ 785.6</u>	<u>\$ 817.4</u>	(3.9) %

* In order to provide a comparison that the Company believes provides useful information regarding its underlying performance, all operating earnings exclude an other item and net realized capital gains (losses) from income from continuing operations. In addition, operating margins exclude interest expense and amortization of other acquired intangibles; furthermore, pretax operating margin also excludes income taxes. Also, revenue excludes net realized capital gains (losses). Management uses these measures to assess business performance and to make decisions regarding its operations and allocation of resources among its businesses. The Company also displays certain metrics (e.g., medical cost ratios, operating earnings, operating earnings per common share and operating margins) excluding reserve development to reflect underlying current period health care costs and current and future benefits.

For a reconciliation of financial measures calculated under accounting principles generally accepted in the United States of America (GAAP), refer to pages 2-3 and 11-13.

Refer to page 14 for definitions of terms used.

Financial Statistics (Continued)
(\$ in Millions)

		Three Months Ended					Nine Months Ended				
		Sep. 30, 2004	Sep. 30, 2003	Jun. 30, 2004	Change Sep. 30, 2004 - Sep. 30, 2003	Change Sep. 30, 2004 - Jun. 30, 2004	Sep. 30, 2004	Sep. 30, 2003	Change Sep. 30, 2004 - Sep. 30, 2003		
Health Care Premiums											
Health Care Risk	(A)	\$ 3,786.6	\$ 3,301.7	\$ 3,648.0	14.7 %	3.8 %	\$ 10,992.4	\$ 9,846.8	11.6 %		
Commercial Risk	(B)	\$ 3,545.7	\$ 3,078.5	\$ 3,411.0	15.2 %	3.9 %	\$ 10,282.9	\$ 9,168.3	12.2 %		
Medicare	(C)	\$ 240.9	\$ 223.2	\$ 237.0	7.9 %	1.6 %	\$ 709.5	\$ 678.5	4.6 %		
Health Care Costs											
<u>Health Care Risk</u>											
Health care costs (GAAP measure)	(D)	\$ 2,994.3	\$ 2,598.0	\$ 2,875.1	15.3 %	4.1 %	\$ 8,611.2	\$ 7,519.3	14.5 %		
Favorable development of prior-period health care cost estimates		22.0	5.0	29.0							
Health care costs - Adjusted	(E)	<u>\$ 3,016.3</u>	<u>\$ 2,603.0</u>	<u>\$ 2,904.1</u>	15.9 %	3.9 %					
<u>Commercial Risk</u>											
Health care costs (GAAP measure)	(F)	\$ 2,786.6	\$ 2,406.7	\$ 2,672.1	15.8 %	4.3 %	\$ 8,005.0	\$ 6,943.5	15.3 %		
Favorable development of prior-period health care cost estimates		20.0	-	26.0							
Health care costs - Adjusted	(G)	<u>\$ 2,806.6</u>	<u>\$ 2,406.7</u>	<u>\$ 2,698.1</u>	16.6 %	4.0 %					
<u>Medicare</u>											
Health care costs (GAAP measure)	(H)	\$ 207.7	\$ 191.4	\$ 202.8	8.5 %	2.4 %	\$ 606.1	\$ 576.2	5.2 %		
Favorable development of prior-period health care cost estimates		2.0	5.0	3.0							
Health care costs - Adjusted	(I)	<u>\$ 209.7</u>	<u>\$ 196.4</u>	<u>\$ 205.8</u>	6.8 %	1.9 %					
Health Care Medical Cost Ratios *											
Health Care Risk (GAAP measure)	(D)/(A)	79.1 %	78.7 %	78.8 %	.4 pts.	.3 pts.	78.3 %	76.4 %	1.9 pts.		
Health Care Risk - Adjusted	(E)/(A)	79.7 %	78.8 %	79.6 %	.9 pts.	.1 pts.					
Commercial Risk (GAAP measure)	(F)/(B)	78.6 %	78.2 %	78.3 %	.4 pts.	.3 pts.	77.8 %	75.7 %	2.1 pts.		
Commercial Risk - Adjusted	(G)/(B)	79.2 %		79.1 %	1.0 pts.	.1 pts.					
Medicare (GAAP measure)	(H)/(C)	86.2 %	85.8 %	85.6 %	.4 pts.	.6 pts.	85.4 %	84.9 %	.5 pts.		
Medicare - Adjusted	(I)/(C)	87.0 %	88.0 %	86.8 %	(1.0) pts.	.2 pts.					
Health Care Costs Payable		\$ 1,945.6	\$ 1,899.0	\$ 1,913.6							
Days Claims Payable		59.8	67.2	60.6							

Refer to page 14 for definitions of terms used.

Earnings Summary
(\$ in Millions, except per common share data)

	Three Months Ended			Nine Months Ended	
	Sep. 30, 2004	Sep. 30, 2003	Jun. 30, 2004	Sep. 30, 2004	Sep. 30, 2003
Summary of Results					
Health Care	\$ 268.1	\$ 179.3	\$ 264.0	\$ 820.5	\$ 648.3
Group Insurance	30.5	33.4	27.2	88.5	101.4
Large Case Pensions	7.7	11.0	7.9	21.7	27.2
Corporate Interest Expense	(16.8)	(16.6)	(16.5)	(49.8)	(50.0)
Operating earnings, excluding other item	<u>289.5</u>	<u>207.1</u>	<u>282.6</u>	<u>880.9</u>	<u>726.9</u>
Physician class action settlement	-	-	-	-	(75.0)
Operating earnings, including other item	<u>289.5</u>	<u>207.1</u>	<u>282.6</u>	<u>880.9</u>	<u>651.9</u>
Net realized capital gains	12.8	8.8	3.7	33.5	32.4
Income from continuing operations (GAAP measure)	<u>302.3</u>	<u>215.9</u>	<u>286.3</u>	<u>914.4</u>	<u>684.3</u>
Income from discontinued operations (1)	990.0	-	-	1,030.0	-
Net income (GAAP measure)	<u>\$ 1,292.3</u>	<u>\$ 215.9</u>	<u>\$ 286.3</u>	<u>\$ 1,944.4</u>	<u>\$ 684.3</u>
Operating earnings - Adjusted	\$ 275.5	\$ 204.1	\$ 271.6		
Favorable development of prior-period health care cost estimates	14.0	3.0	18.0		
Unfavorable prior-period mortality development	-	-	(7.0)		
Operating earnings, excluding other item	<u>\$ 289.5</u>	<u>\$ 207.1</u>	<u>\$ 282.6</u>		
Health Care operating earnings - Adjusted	\$ 254.1	\$ 176.3	\$ 246.0		
Favorable development of prior-period health care cost estimates	14.0	3.0	18.0		
Health Care operating earnings, excluding other item	<u>\$ 268.1</u>	<u>\$ 179.3</u>	<u>\$ 264.0</u>		
Weighted average common shares - basic	<u>151,150,515</u>	<u>153,458,074</u>	<u>153,175,295</u>	<u>152,738,969</u>	<u>152,544,189</u>
Weighted average common shares - diluted	<u>157,420,897</u>	<u>160,342,416</u>	<u>159,969,563</u>	<u>158,535,200</u>	<u>158,033,631</u>
Summary of Results Per Common Share					
Operating earnings - Adjusted	\$ 1.75	\$ 1.27	\$ 1.70		
Favorable development of prior-period health care cost estimates	.09	.02	.11		
Unfavorable prior-period mortality development	-	-	(.04)		
Operating earnings, excluding other item	<u>1.84</u>	<u>1.29</u>	<u>1.77</u>	\$ 5.56	\$ 4.60
Physician class action settlement	-	-	-	-	(.47)
Operating earnings, including other item	<u>1.84</u>	<u>1.29</u>	<u>1.77</u>	<u>5.56</u>	<u>4.13</u>
Net realized capital gains	.08	.06	.02	.21	.20
Income from continuing operations (GAAP measure)	<u>1.92</u>	<u>1.35</u>	<u>1.79</u>	<u>5.77</u>	<u>4.33</u>
Income from discontinued operations	6.29	-	-	6.50	-
Net income (GAAP measure)	<u>\$ 8.21</u>	<u>\$ 1.35</u>	<u>\$ 1.79</u>	<u>\$ 12.27</u>	<u>\$ 4.33</u>

(1) Income from discontinued operations for the three and nine months ended September 30, 2004 includes approximately \$740 million after tax, including interest, related to the Congressional Joint Committee on Taxation's approval of a tax refund and \$250 million related to the completion of certain Internal Revenue Service audits associated with businesses that were sold in the 1990s by the Company's predecessor (former Aetna). Income from discontinued operations for the nine months ended September 30, 2004 also includes \$40 million related to the completion of certain Internal Revenue Service audits associated with former Aetna.

Consolidating Statements of Income (Loss) from Continuing Operations by Segment
(\$ in Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Three Months Ended September 30, 2004					
Revenue:					
Premiums	\$ 3,786.6	\$ 415.6	\$ 47.9	\$ -	\$ 4,250.1
Administrative services contract fees	500.6	6.5	-	-	507.1
Net investment income	64.3	63.7	125.9	-	253.9
Other income	5.0	.9	2.9	-	8.8
Total revenue, excluding net realized capital gains *	<u>4,356.5</u>	<u>486.7</u>	<u>176.7</u>	<u>-</u>	<u>5,019.9</u>
Benefits and expenses:					
Health care costs (1)	2,994.3	-	-	-	2,994.3
Current and future benefits	-	388.6	160.0	-	548.6
Operating expenses:					
Selling expenses	161.0	17.0	-	-	178.0
General and administrative expenses	767.3	39.3	5.1	-	811.7
Total operating expenses	<u>928.3</u>	<u>56.3</u>	<u>5.1</u>	<u>-</u>	<u>989.7</u>
Interest expense	-	-	-	25.9	25.9
Amortization of other acquired intangible assets	9.3	-	-	-	9.3
Total benefits and expenses	<u>3,931.9</u>	<u>444.9</u>	<u>165.1</u>	<u>25.9</u>	<u>4,567.8</u>
Operating earnings (loss), excluding income taxes (benefits)	424.6	41.8	11.6	(25.9)	452.1
Income taxes (benefits)	156.5	11.3	3.9	(9.1)	162.6
Operating earnings (loss)	<u>268.1</u>	<u>30.5</u>	<u>7.7</u>	<u>(16.8)</u>	<u>289.5</u>
Net realized capital gains, net of tax	7.0	3.6	2.2	-	12.8
Income (loss) from continuing operations	<u>\$ 275.1</u>	<u>\$ 34.1</u>	<u>\$ 9.9</u>	<u>\$ (16.8)</u>	<u>\$ 302.3</u>
Three Months Ended September 30, 2003					
Revenue:					
Premiums	\$ 3,301.7	\$ 370.3	\$ 41.1	\$ -	\$ 3,713.1
Administrative services contract fees	460.6	5.7	-	-	466.3
Net investment income	57.6	62.8	147.7	-	268.1
Other income	3.5	.9	3.7	-	8.1
Total revenue, excluding net realized capital gains *	<u>3,823.4</u>	<u>439.7</u>	<u>192.5</u>	<u>-</u>	<u>4,455.6</u>
Benefits and expenses:					
Health care costs (2)	2,598.0	-	-	-	2,598.0
Current and future benefits	-	340.7	171.6	-	512.3
Operating expenses:					
Selling expenses	123.9	12.5	-	-	136.4
General and administrative expenses	804.9	40.1	4.3	-	849.3
Total operating expenses	<u>928.8</u>	<u>52.6</u>	<u>4.3</u>	<u>-</u>	<u>985.7</u>
Interest expense	-	-	-	25.6	25.6
Amortization of other acquired intangible assets	12.7	-	-	-	12.7
Total benefits and expenses	<u>3,539.5</u>	<u>393.3</u>	<u>175.9</u>	<u>25.6</u>	<u>4,134.3</u>
Operating earnings (loss), excluding income taxes (benefits)	283.9	46.4	16.6	(25.6)	321.3
Income taxes (benefits)	104.6	13.0	5.6	(9.0)	114.2
Operating earnings (loss)	<u>179.3</u>	<u>33.4</u>	<u>11.0</u>	<u>(16.6)</u>	<u>207.1</u>
Net realized capital gains, net of tax	3.0	5.4	.4	-	8.8
Income (loss) from continuing operations	<u>\$ 182.3</u>	<u>\$ 38.8</u>	<u>\$ 11.4</u>	<u>\$ (16.6)</u>	<u>\$ 215.9</u>

(1) Includes favorable development of prior-period health care cost estimates of approximately \$22 million pretax (approximately \$14 million after tax) in the Health Care Segment.

(2) Includes favorable development of prior-period health care cost estimates of approximately \$5 million pretax (approximately \$3 million after tax) in the Health Care Segment.

* Refer to pages 11-13 for reconciliations of revenue calculated under GAAP for all periods.

Refer to page 14 for definitions of terms used.

Consolidating Statements of Income (Loss) from Continuing Operations by Segment (Continued)
(\$ in Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Nine Months Ended September 30, 2004					
Revenue:					
Premiums	\$ 10,992.4	\$ 1,195.8	\$ 144.8	\$ -	\$ 12,333.0
Administrative services contract fees	1,516.4	20.1	-	-	1,536.5
Net investment income	193.9	201.0	390.7	-	785.6
Other income	18.0	2.6	8.6	-	29.2
Total revenue, excluding net realized capital gains *	<u>12,720.7</u>	<u>1,419.5</u>	<u>544.1</u>	<u>-</u>	<u>14,684.3</u>
Benefits and expenses:					
Health care costs	8,611.2	-	-	-	8,611.2
Current and future benefits	-	1,134.1	496.5	-	1,630.6
Operating expenses:					
Selling expenses	463.6	47.5	-	-	511.1
General and administrative expenses	2,311.8	114.7	15.1	-	2,441.6
Total operating expenses	<u>2,775.4</u>	<u>162.2</u>	<u>15.1</u>	<u>-</u>	<u>2,952.7</u>
Interest expense	-	-	-	76.6	76.6
Amortization of other acquired intangible assets	34.7	-	-	-	34.7
Total benefits and expenses	<u>11,421.3</u>	<u>1,296.3</u>	<u>511.6</u>	<u>76.6</u>	<u>13,305.8</u>
Operating earnings (loss), excluding income taxes (benefits)	1,299.4	123.2	32.5	(76.6)	1,378.5
Income taxes (benefits)	478.9	34.7	10.8	(26.8)	497.6
Operating earnings (loss)	<u>820.5</u>	<u>88.5</u>	<u>21.7</u>	<u>(49.8)</u>	<u>880.9</u>
Net realized capital gains, net of tax	12.7	13.8	7.0	-	33.5
Income (loss) from continuing operations	<u>\$ 833.2</u>	<u>\$ 102.3</u>	<u>\$ 28.7</u>	<u>\$ (49.8)</u>	<u>\$ 914.4</u>
 Nine Months Ended September 30, 2003					
Revenue:					
Premiums	\$ 9,846.8	\$ 1,126.4	\$ 127.0	\$ -	\$ 11,100.2
Administrative services contract fees	1,388.7	24.3	-	-	1,413.0
Net investment income	182.0	197.6	437.8	-	817.4
Other income	7.4	2.7	11.1	-	21.2
Total revenue, excluding net realized capital gains *	<u>11,424.9</u>	<u>1,351.0</u>	<u>575.9</u>	<u>-</u>	<u>13,351.8</u>
Benefits and expenses:					
Health care costs	7,519.3	-	-	-	7,519.3
Current and future benefits	-	1,045.8	520.0	-	1,565.8
Operating expenses:					
Selling expenses	382.7	40.9	-	-	423.6
General and administrative expenses	2,458.8	119.4	14.0	-	2,592.2
Total operating expenses	<u>2,841.5</u>	<u>160.3</u>	<u>14.0</u>	<u>-</u>	<u>3,015.8</u>
Interest expense	-	-	-	77.0	77.0
Amortization of other acquired intangible assets	38.1	-	-	-	38.1
Total benefits and expenses	<u>10,398.9</u>	<u>1,206.1</u>	<u>534.0</u>	<u>77.0</u>	<u>12,216.0</u>
Operating earnings (loss), excluding income taxes (benefits) and other item	1,026.0	144.9	41.9	(77.0)	1,135.8
Income taxes (benefits)	377.7	43.5	14.7	(27.0)	408.9
Operating earnings (loss), excluding other item	<u>648.3</u>	<u>101.4</u>	<u>27.2</u>	<u>(50.0)</u>	<u>726.9</u>
Physician class action settlement, net of tax	(75.0)	-	-	-	(75.0)
Operating earnings (loss), including other item	<u>573.3</u>	<u>101.4</u>	<u>27.2</u>	<u>(50.0)</u>	<u>651.9</u>
Net realized capital gains, net of tax	16.9	9.0	6.5	-	32.4
Income (loss) from continuing operations	<u>\$ 590.2</u>	<u>\$ 110.4</u>	<u>\$ 33.7</u>	<u>\$ (50.0)</u>	<u>\$ 684.3</u>

* Refer to pages 11-13 for reconciliations of revenue calculated under GAAP for all periods.

Refer to page 14 for definitions of terms used.

Health Care and Group Insurance Enrollment
(Members in Thousands)

Products	September 30, 2004			September 30, 2003			December 31, 2003			June 30, 2004		
	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total
Medical:												
Commercial	4,621	8,737	13,358	4,288	8,491	12,779	4,353	8,430	12,783	4,503	8,726	13,229
Medicare	99	-	99	107	-	107	105	-	105	100	-	100
Medicaid	-	113	113	-	116	116	-	114	114	-	110	110
Total Medical	<u>4,720</u>	<u>8,850</u>	<u>13,570</u>	<u>4,395</u>	<u>8,607</u>	<u>13,002</u>	<u>4,458</u>	<u>8,544</u>	<u>13,002</u>	<u>4,603</u>	<u>8,836</u>	<u>13,439</u>
Dental	<u>4,643</u>	<u>6,993</u>	<u>11,636</u>	<u>4,414</u>	<u>6,571</u>	<u>10,985</u>	<u>4,435</u>	<u>6,507</u>	<u>10,942</u>	<u>4,618</u>	<u>6,810</u>	<u>11,428</u>
Pharmacy (1)			<u>8,323</u>			<u>7,313</u>			<u>7,521</u>			<u>8,148</u>
Group Insurance:												
Group Life			10,723			9,784			10,000			10,158
Disability			2,348			2,068			2,085			2,223
Long-Term Care			216			201			203			213
Total Group Insurance			<u>13,287</u>			<u>12,053</u>			<u>12,288</u>			<u>12,594</u>
Aetna HealthFund® (2)			<u>212</u>			<u>43</u>			<u>44</u>			<u>197</u>

Regions	September 30, 2004			September 30, 2003			December 31, 2003			June 30, 2004		
	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total	Risk	ASC	Total
Northeast	1,130	1,296	2,426	1,045	1,224	2,269	1,054	1,221	2,275	1,095	1,295	2,390
Mid-Atlantic	1,022	1,473	2,495	884	1,474	2,358	927	1,457	2,384	1,000	1,468	2,468
Southeast	800	1,432	2,232	765	1,420	2,185	779	1,415	2,194	781	1,424	2,205
North Central	457	2,060	2,517	411	2,032	2,443	413	2,009	2,422	424	2,060	2,484
Southwest	562	1,385	1,947	520	1,303	1,823	529	1,294	1,823	558	1,376	1,934
West	666	1,196	1,862	697	1,149	1,846	693	1,144	1,837	664	1,206	1,870
Other	83	8	91	73	5	78	63	4	67	81	7	88
Total Medical	<u>4,720</u>	<u>8,850</u>	<u>13,570</u>	<u>4,395</u>	<u>8,607</u>	<u>13,002</u>	<u>4,458</u>	<u>8,544</u>	<u>13,002</u>	<u>4,603</u>	<u>8,836</u>	<u>13,439</u>
Risk/ASC %	<u>34.8%</u>	<u>65.2%</u>	<u>100.0%</u>	<u>33.8%</u>	<u>66.2%</u>	<u>100.0%</u>	<u>34.3%</u>	<u>65.7%</u>	<u>100.0%</u>	<u>34.3%</u>	<u>65.7%</u>	<u>100.0%</u>

(1) Pharmacy members include 7,896; 7,125; 7,244 and 7,743 thousand members receiving pharmacy benefit management services and 427; 188; 277 and 405 thousand members who purchased medications through Aetna's mail order pharmacy during the quarterly period at September 30, 2004; September 30, 2003; December 31, 2003 and June 30, 2004, respectively.

(2) Represents Aetna's consumer-directed membership included in Commercial medical membership.

Refer to page 14 for definitions of terms used.

Consolidated Balance Sheets
(**\$ in Millions**)

	Sep. 30, 2004	Dec. 31, 2003		Sep. 30, 2004	Dec. 31, 2003
Assets				Liabilities and shareholders' equity	
Current assets:				Current liabilities:	
Cash and cash equivalents	\$ 1,366.9	\$ 1,433.4		Health care costs payable	\$ 1,945.6
Investment securities	14,286.1	14,990.5		Future policy benefits	781.3
Other investments	52.1	103.1		Unpaid claims	673.3
Premiums receivable, net	293.7	318.4		Unearned premiums	110.2
Other receivables, net	399.4	396.0		Policyholders' funds	683.5
Accrued investment income	210.4	221.5		Collateral payable under securities loan agreements	1,064.6
Collateral received under securities loan agreements	1,064.6	827.4		Income taxes payable	-
Loaned securities	1,042.9	810.6		Accrued expenses and other current liabilities	1,734.7
Income taxes receivable	210.2	-		Total current liabilities	6,993.2
Deferred income taxes	195.7	217.6			
Other current assets	282.0	238.3		Future policy benefits	7,971.9
Total current assets	19,404.0	19,556.8		Unpaid claims	1,134.8
				Policyholders' funds	1,450.5
Long-term investments	1,735.6	1,521.5		Long-term debt	1,614.3
Mortgage loans	1,365.9	1,353.1		Other long-term liabilities	870.9
Investment real estate	304.3	270.4		Separate Accounts liabilities	12,392.8
Reinsurance recoverables	1,183.3	1,196.3		Total liabilities	32,428.4
Goodwill, net	3,684.5	3,679.5			
Other acquired intangible assets, net	461.4	496.1		Shareholders' equity	
Property and equipment, net	240.5	267.5		Common stock and additional paid-in capital	3,279.7
Deferred income taxes	348.9	396.0		Accumulated other comprehensive loss (1)	(440.8)
Other long-term assets	391.8	356.2		Retained earnings	6,245.7
Separate Accounts assets	12,392.8	11,856.8		Total shareholders' equity	9,084.6
Total assets	\$ 41,513.0	\$ 40,950.2		Total liabilities and shareholders' equity	\$ 41,513.0

(1) Includes net unrealized capital gains related to available for sale securities under FAS No. 115 of \$253.7 million and \$287.6 million at September 30, 2004 and December 31, 2003, respectively, and a minimum pension liability adjustment of (\$703.4) million at September 30, 2004 and December 31, 2003.

Combining Balance Sheets
(\$ in Millions)

	September 30, 2004			December 31, 2003		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Assets						
Current assets:						
Cash and cash equivalents	\$ 1,269.4	\$ 97.5	\$ 1,366.9	\$ 1,328.3	\$ 105.1	\$ 1,433.4
Investment securities	8,296.3	5,989.8	14,286.1	8,469.1	6,521.4	14,990.5
Other investments	1.7	50.4	52.1	21.6	81.5	103.1
Premiums receivable, net	293.7	-	293.7	318.4	-	318.4
Other receivables, net	318.4	81.0	399.4	311.8	84.2	396.0
Accrued investment income	100.6	109.8	210.4	103.6	117.9	221.5
Collateral received under securities loan agreements	566.7	497.9	1,064.6	428.6	398.8	827.4
Loaned securities	555.2	487.7	1,042.9	419.9	390.7	810.6
Income taxes receivable	208.2	2.0	210.2	-	-	-
Deferred income taxes	174.7	21.0	195.7	193.1	24.5	217.6
Other current assets	274.9	7.1	282.0	227.7	10.6	238.3
Total current assets	12,059.8	7,344.2	19,404.0	11,822.1	7,734.7	19,556.8
Long-term investments	1,200.1	535.5	1,735.6	993.1	528.4	1,521.5
Mortgage loans	497.3	868.6	1,365.9	446.4	906.7	1,353.1
Investment real estate	156.5	147.8	304.3	165.3	105.1	270.4
Reinsurance recoverables	1,166.7	16.6	1,183.3	1,178.3	18.0	1,196.3
Goodwill, net	3,684.5	-	3,684.5	3,679.5	-	3,679.5
Other acquired intangible assets, net	461.4	-	461.4	496.1	-	496.1
Property and equipment, net	141.8	98.7	240.5	150.8	116.7	267.5
Deferred income taxes	201.5	147.4	348.9	257.5	138.5	396.0
Other long-term assets	391.8	-	391.8	356.2	-	356.2
Separate Accounts assets	4.4	12,388.4	12,392.8	9.1	11,847.7	11,856.8
Total assets	\$ 19,965.8	\$ 21,547.2	\$ 41,513.0	\$ 19,554.4	\$ 21,395.8	\$ 40,950.2
Liabilities and shareholders' equity						
Current liabilities:						
Health care costs payable	\$ 1,945.6	\$ -	\$ 1,945.6	\$ 1,888.7	\$ -	\$ 1,888.7
Future policy benefits	89.4	691.9	781.3	86.3	724.8	811.1
Unpaid claims	672.8	.5	673.3	623.9	.4	624.3
Unearned premiums	103.7	6.5	110.2	197.8	5.9	203.7
Policyholders' funds	386.7	296.8	683.5	426.5	618.0	1,044.5
Collateral payable under securities loan agreements	566.7	497.9	1,064.6	428.6	398.8	827.4
Income taxes payable	-	-	-	171.9	(17.2)	154.7
Accrued expenses and other current liabilities	1,335.9	398.8	1,734.7	1,458.0	355.1	1,813.1
Total current liabilities	5,100.8	1,892.4	6,993.2	5,281.7	2,085.8	7,367.5
Future policy benefits	1,884.6	6,087.3	7,971.9	1,864.9	6,220.8	8,085.7
Unpaid claims	1,134.8	-	1,134.8	1,159.4	-	1,159.4
Policyholders' funds	601.3	849.2	1,450.5	612.1	917.6	1,529.7
Long-term debt	1,614.3	-	1,614.3	1,613.7	-	1,613.7
Other long-term liabilities	801.7	69.2	870.9	1,344.2	69.2	1,413.4
Separate Accounts liabilities	4.4	12,388.4	12,392.8	9.1	11,847.7	11,856.8
Total liabilities	11,141.9	21,286.5	32,428.4	11,885.1	21,141.1	33,026.2
Shareholders' equity						
Total shareholders' equity	8,823.9	260.7	9,084.6	7,669.3	254.7	7,924.0
Total liabilities and shareholder's equity	\$ 19,965.8	\$ 21,547.2	\$ 41,513.0	\$ 19,554.4	\$ 21,395.8	\$ 40,950.2

Condensed Combining Statements of Cash Flows
(\$ in Millions)

	Three Months Ended								
	Sep. 30, 2004			Sep. 30, 2003			Jun. 30, 2004		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Cash flows from operating activities:									
Net income	\$ 1,282.4	\$ 9.9	\$ 1,292.3	\$ 204.5	\$ 11.4	\$ 215.9	\$ 275.6	\$ 10.7	\$ 286.3
Adjustments to reconcile net income to net cash provided by (used for) operating activities:									
Income from discontinued operations	(990.0)	-	(990.0)	-	-	-	-	-	-
Amortization of other acquired intangible assets	9.3	-	9.3	12.7	-	12.7	12.7	-	12.7
Depreciation and other amortization	33.9	-	33.9	35.3	-	35.3	36.5	-	36.5
Amortization of net investment premium	11.4	-	11.4	14.0	.3	14.3	10.4	.5	10.9
Net realized capital gains	(16.2)	(3.4)	(19.6)	(13.0)	(.5)	(13.5)	(1.5)	(4.3)	(5.8)
Cash flow from operating activities before balance sheet changes	330.8	6.5	337.3	253.5	11.2	264.7	333.7	6.9	340.6
Changes in assets and liabilities:									
(Increase) decrease in accrued investment income	(.6)	3.0	2.4	4.5	(1.9)	2.6	5.2	3.4	8.6
(Increase) decrease in premiums due and other receivables	(14.2)	.6	(13.6)	4.1	.3	4.4	36.1	.2	36.3
Net change in income taxes	34.6	3.5	38.1	(1.8)	(1.5)	(3.3)	(26.8)	7.2	(19.6)
Net change in other assets and other liabilities	(280.1) (1)	(22.2)	(302.3)	(103.6)	(15.1)	(118.7)	46.6	7.8	54.4
Net increase (decrease) in health care and insurance liabilities	22.0	(76.5)	(54.5)	8.1	(71.4)	(63.3)	(93.5)	(104.2)	(197.7)
Other, net	1.4	-	1.4	3.9	(15.5)	(11.6)	3.6	(3.0)	.6
Net cash provided by (used for) operating activities of continuing operations	93.9	(85.1)	8.8	168.7	(93.9)	74.8	304.9	(81.7)	223.2
Discontinued operations, net	666.2	-	666.2	-	-	-	-	-	-
Net cash provided by (used for) operating activities	<u>760.1</u>	<u>(85.1)</u>	<u>675.0</u>	<u>168.7</u>	<u>(93.9)</u>	<u>74.8</u>	<u>304.9</u>	<u>(81.7)</u>	<u>223.2</u>
Cash flows from investing activities:									
Proceeds from sales and investment maturities	1,615.8	927.5	2,543.3	1,507.0	1,188.7	2,695.7	2,234.1	1,160.4	3,394.5
Cost of investments	(1,477.1)	(737.8)	(2,214.9)	(1,608.1)	(934.7)	(2,542.8)	(2,073.5)	(952.7)	(3,026.2)
Increase in property and equipment	(60.8)	-	(60.8)	(101.0)	-	(101.0)	(39.5)	-	(39.5)
Net cash provided by (used for) investing activities	<u>77.9</u>	<u>189.7</u>	<u>267.6</u>	<u>(202.1)</u>	<u>254.0</u>	<u>51.9</u>	<u>121.1</u>	<u>207.7</u>	<u>328.8</u>
Cash flows from financing activities:									
Withdrawals of investment contracts, net	-	(86.3)	(86.3)	-	(95.6)	(95.6)	-	(96.5)	(96.5)
Common shares issued under benefit plans	72.4	-	72.4	39.4	-	39.4	43.6	-	43.6
Common shares repurchased	(715.3)	-	(715.3)	(146.7)	-	(146.7)	(53.6)	-	(53.6)
Other, net	3.9	.1	4.0	33.4	(43.4)	(10.0)	(4.8)	.8	(4.0)
Net cash used for financing activities	<u>(639.0)</u>	<u>(86.2)</u>	<u>(725.2)</u>	<u>(73.9)</u>	<u>(139.0)</u>	<u>(212.9)</u>	<u>(14.8)</u>	<u>(95.7)</u>	<u>(110.5)</u>
Net increase (decrease) in cash and cash equivalents	199.0	18.4	217.4	(107.3)	21.1	(86.2)	411.2	30.3	441.5
Cash and cash equivalents, beginning of period	1,070.4	79.1	1,149.5	1,719.6	146.9	1,866.5	659.2	48.8	708.0
Cash and cash equivalents, end of period	<u>\$ 1,269.4</u>	<u>\$ 97.5</u>	<u>\$ 1,366.9</u>	<u>\$ 1,612.3</u>	<u>\$ 168.0</u>	<u>\$ 1,780.3</u>	<u>\$ 1,070.4</u>	<u>\$ 79.1</u>	<u>\$ 1,149.5</u>

(1) Includes severance and facilities reserve payments of approximately \$7 million and voluntary pension plan contributions of approximately \$310 million for the three months ended September 30, 2004.

Condensed Combining Statements of Cash Flows (Continued)
(\$ in Millions)

	Nine Months Ended					
	Sep. 30, 2004			Sep. 30, 2003		
	Health Care and Group Insurance	Large Case Pensions	Total	Health Care and Group Insurance	Large Case Pensions	Total
Cash flows from operating activities:						
Net income	\$ 1,915.7	\$ 28.7	\$ 1,944.4	\$ 650.6	\$ 33.7	\$ 684.3
Adjustments to reconcile net income to net cash provided by (used for) operating activities:						
Income from discontinued operations	(1,030.0)	-	(1,030.0)	-	-	-
Physician class action settlement charge	-	-	-	115.4	-	115.4
Amortization of other acquired intangible assets	34.7	-	34.7	38.1	-	38.1
Depreciation and other amortization	105.5	-	105.5	110.1	-	110.1
Amortization of net investment premium	33.5	.6	34.1	35.9	3.1	39.0
Net realized capital gains	(40.7)	(10.8)	(51.5)	(39.9)	(9.9)	(49.8)
Cash flow from operating activities before balance sheet changes	1,018.7	18.5	1,037.2	910.2	26.9	937.1
Changes in assets and liabilities:						
Decrease (increase) in accrued investment income	3.0	8.1	11.1	(4.2)	.9	(3.3)
(Increase) decrease in premiums due and other receivables	(6.3)	.3	(6.0)	59.0	(1.5)	57.5
Net change in income taxes	208.5	15.5	224.0	29.5	(73.9)	(44.4)
Net change in other assets and other liabilities	(685.9) (1)	(.5)	(686.4)	(371.9)	(.8)	(372.7)
Net decrease in health care and insurance liabilities	(39.3)	(239.4)	(278.7)	(326.4)	(211.6)	(538.0)
Other, net	(.5)	(9.3)	(9.8)	.3	(46.2)	(45.9)
Net cash provided by (used for) operating activities of continuing operations	498.2	(206.8)	291.4	296.5	(306.2)	(9.7)
Discontinued operations, net	666.2	-	666.2	-	-	-
Net cash provided by (used for) operating activities	1,164.4	(206.8)	957.6	296.5	(306.2)	(9.7)
Cash flows from investing activities:						
Proceeds from sales and investment maturities	6,197.5	3,097.5	9,295.0	6,313.0	5,582.7	11,895.7
Cost of investments	(6,412.8)	(2,566.5)	(8,979.3)	(6,447.8)	(4,885.0)	(11,332.8)
Increase in property and equipment	(134.5)	-	(134.5)	(168.1)	-	(168.1)
Net cash (used for) provided by investing activities	(349.8)	531.0	181.2	(302.9)	697.7	394.8
Cash flows from financing activities:						
Withdrawals of investment contracts, net	-	(339.0)	(339.0)	-	(310.0)	(310.0)
Common shares issued under benefit plans	256.4	-	256.4	248.2	-	248.2
Common shares repurchased	(1,132.7)	-	(1,132.7)	(335.9)	-	(335.9)
Other, net	2.8	7.2	10.0	38.3	(48.3)	(10.0)
Net cash used for financing activities	(873.5)	(331.8)	(1,205.3)	(49.4)	(358.3)	(407.7)
Net (decrease) increase in cash and cash equivalents	(58.9)	(7.6)	(66.5)	(55.8)	33.2	(22.6)
Cash and cash equivalents, beginning of period	1,328.3	105.1	1,433.4	1,668.1	134.8	1,802.9
Cash and cash equivalents, end of period	\$ 1,269.4	\$ 97.5	\$ 1,366.9	\$ 1,612.3	\$ 168.0	\$ 1,780.3

(1) Includes severance and facilities reserve payments of approximately \$34 million and voluntary pension plan contributions of approximately \$555 million for the nine months ended September 30, 2004.

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure
(\$ in Millions, except per common share data)

		Three Months Ended			Nine Months Ended	
		Sep. 30, 2004	Sep. 30, 2003	Jun. 30, 2004	Sep. 30, 2004	Sep. 30, 2003
Reconciliation to Income from continuing operations before income taxes						
Operating earnings before income taxes, excluding interest expense, amortization of other acquired intangible assets, other item and net favorable development	(A)	\$ 465.3	\$ 354.6	\$ 460.8		
Favorable development of prior-period health care cost estimates		22.0	5.0	29.0		
Unfavorable prior-period mortality development		-	-	(10.0)		
Operating earnings before income taxes, excluding interest expense, amortization of other acquired intangible assets and other item	(B)	487.3	359.6	479.8	\$ 1,489.8	\$ 1,250.9
Interest expense		(25.9)	(25.6)	(25.2)	(76.6)	(77.0)
Amortization of other acquired intangible assets		(9.3)	(12.7)	(12.7)	(34.7)	(38.1)
Physician class action settlement (other item)		-	-	-	-	(115.4)
Net realized capital gains		19.6	13.5	5.8	51.5	49.8
Income from continuing operations before income taxes (GAAP measure)	(C)	<u>\$ 471.7</u>	<u>\$ 334.8</u>	<u>\$ 447.7</u>	<u>\$ 1,430.0</u>	<u>\$ 1,070.2</u>
Reconciliation to Income from continuing operations						
Operating earnings, excluding interest expense, amortization of other acquired intangible assets, other item and net favorable development	(D)	\$ 298.4	\$ 228.9	\$ 296.3		
Favorable development of prior-period health care cost estimates, net of tax		14.0	3.0	18.0		
Unfavorable prior-period mortality development, net of tax		-	-	(7.0)		
Operating earnings, excluding interest expense, amortization of other acquired intangible assets and other item	(E)	312.4	231.9	307.3	\$ 953.3	\$ 801.6
Interest expense, net of tax		(16.8)	(16.6)	(16.5)	(49.8)	(50.0)
Amortization of other acquired intangible assets, net of tax		(6.1)	(8.2)	(8.2)	(22.6)	(24.7)
Physician class action settlement, net of tax (other item)		-	-	-	-	(75.0)
Net realized capital gains, net of tax		12.8	8.8	3.7	33.5	32.4
Income from continuing operations (GAAP measure)	(F)	<u>\$ 302.3</u>	<u>\$ 215.9</u>	<u>\$ 286.3</u>	<u>\$ 914.4</u>	<u>\$ 684.3</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains	(G)	\$ 5,019.9	\$ 4,455.6	\$ 4,869.2	\$ 14,684.3	\$ 13,351.8
Net realized capital gains		19.6	13.5	5.8	51.5	49.8
Total revenue (GAAP measure)	(H)	<u>\$ 5,039.5</u>	<u>\$ 4,469.1</u>	<u>\$ 4,875.0</u>	<u>\$ 14,735.8</u>	<u>\$ 13,401.6</u>
Operating margin						
Pretax operating margin	(B)/(G)	9.7 %	8.1 %	9.9 %	10.1 %	9.4 %
Pretax operating margin - Adjusted	(A)/(G)	9.3 %	8.0 %	9.5 %		
Pretax operating margin (GAAP measure)	(C)/(H)	9.4 %	7.5 %	9.2 %	9.7 %	8.0 %
After-tax operating margin	(E)/(G)	6.2 %	5.2 %	6.3 %	6.5 %	6.0 %
After-tax operating margin - Adjusted	(D)/(G)	5.9 %	5.1 %	6.1 %		
After-tax operating margin (GAAP measure)	(F)/(H)	6.0 %	4.8 %	5.9 %	6.2 %	5.1 %

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (Continued)
(\$ in Millions)

		Three Months Ended			Nine Months Ended	
		Sep. 30, 2004	Sep. 30, 2003	Jun. 30, 2004	Sep. 30, 2004	Sep. 30, 2003
Aetna Inc.						
Reconciliation of Operating Expenses						
Operating expenses, excluding physician class action settlement	(A)	\$ 989.7	\$ 985.7	\$ 979.3	\$ 2,952.7	\$ 3,015.8
Physician class action settlement		-	-	-	-	115.4
Total operating expenses (GAAP measure)	(B)	<u>\$ 989.7</u>	<u>\$ 985.7</u>	<u>\$ 979.3</u>	<u>\$ 2,952.7</u>	<u>\$ 3,131.2</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains	(C)	\$ 5,019.9	\$ 4,455.6	\$ 4,869.2	\$ 14,684.3	\$ 13,351.8
Net realized capital gains		19.6	13.5	5.8	51.5	49.8
Total revenue (GAAP measure)	(D)	<u>\$ 5,039.5</u>	<u>\$ 4,469.1</u>	<u>\$ 4,875.0</u>	<u>\$ 14,735.8</u>	<u>\$ 13,401.6</u>
Operating expenses as a % of revenue						
Operating expenses as a % of revenue	(A)/(C)	19.7 %	22.1 %	20.1 %	20.1 %	22.6 %
Total operating expenses as a % of total revenue (GAAP measure)	(B)/(D)	19.6 %	22.1 %	20.1 %	20.0 %	23.4 %
Health Care						
Reconciliation of Operating Expenses						
Operating expenses, excluding physician class action settlement	(E)	\$ 928.3	\$ 928.8	\$ 922.9	\$ 2,775.4	\$ 2,841.5
Physician class action settlement		-	-	-	-	115.4
Total operating expenses (GAAP measure)	(F)	<u>\$ 928.3</u>	<u>\$ 928.8</u>	<u>\$ 922.9</u>	<u>\$ 2,775.4</u>	<u>\$ 2,956.9</u>
Reconciliation of Revenue						
Revenue, excluding net realized capital gains (losses)	(G)	\$ 4,356.5	\$ 3,823.4	\$ 4,228.3	\$ 12,720.7	\$ 11,424.9
Net realized capital gains (losses)		10.7	4.7	(2.2)	19.4	26.0
Total revenue (GAAP measure)	(H)	<u>\$ 4,367.2</u>	<u>\$ 3,828.1</u>	<u>\$ 4,226.1</u>	<u>\$ 12,740.1</u>	<u>\$ 11,450.9</u>
Operating expenses as a % of revenue						
Operating expenses as a % of revenue	(E)/(G)	21.3 %	24.3 %	21.8 %	21.8 %	24.9 %
Total operating expenses as a % of total revenue (GAAP measure)	(F)/(H)	21.3 %	24.3 %	21.8 %	21.8 %	25.8 %

Reconciliations of Certain Reported Amounts to the Most Directly Comparable GAAP Measure (Continued)
(\$ in Millions)

		<u>Three Months Ended</u>			<u>Nine Months Ended</u>	
		<u>Sep. 30, 2004</u>	<u>Sep. 30, 2003</u>	<u>Jun. 30, 2004</u>	<u>Sep. 30, 2004</u>	<u>Sep. 30, 2003</u>
<u>Group Insurance</u>						
Total operating expenses (GAAP measure)	(A)	<u>\$ 56.3</u>	<u>\$ 52.6</u>	<u>\$ 51.4</u>	<u>\$ 162.2</u>	<u>\$ 160.3</u>
<u>Reconciliation of Revenue</u>						
Revenue, excluding net realized capital gains	(B)	\$ 486.7	\$ 439.7	\$ 460.0	\$ 1,419.5	\$ 1,351.0
Net realized capital gains		<u>5.5</u>	<u>8.3</u>	<u>3.7</u>	<u>21.3</u>	<u>13.9</u>
Total revenue (GAAP measure)	(C)	<u>\$ 492.2</u>	<u>\$ 448.0</u>	<u>\$ 463.7</u>	<u>\$ 1,440.8</u>	<u>\$ 1,364.9</u>
<u>Operating expenses as a % of revenue</u>						
Operating expenses as a % of revenue	(A)/(B)	11.6 %	12.0 %	11.2 %	11.4 %	11.9 %
Total operating expenses as a % of total revenue (GAAP measure)	(A)/(C)	11.4 %	11.7 %	11.1 %	11.3 %	11.7 %
<u>Large Case Pensions</u>						
Total operating expenses (GAAP measure)	(D)	<u>\$ 5.1</u>	<u>\$ 4.3</u>	<u>\$ 5.0</u>	<u>\$ 15.1</u>	<u>\$ 14.0</u>
<u>Reconciliation of Revenue</u>						
Revenue, excluding net realized capital gains	(E)	\$ 176.7	\$ 192.5	\$ 180.9	\$ 544.1	\$ 575.9
Net realized capital gains		<u>3.4</u>	<u>.5</u>	<u>4.3</u>	<u>10.8</u>	<u>9.9</u>
Total revenue (GAAP measure)	(F)	<u>\$ 180.1</u>	<u>\$ 193.0</u>	<u>\$ 185.2</u>	<u>\$ 554.9</u>	<u>\$ 585.8</u>
<u>Operating expenses as a % of revenue</u>						
Operating expenses as a % of revenue	(D)/(E)	2.9 %	2.2 %	2.8 %	2.8 %	2.4 %
Total operating expenses as a % of total revenue (GAAP measure)	(D)/(F)	2.8 %	2.2 %	2.7 %	2.7 %	2.4 %

Definitions

Adjusted noted on a financial statistic indicates that the statistic excludes favorable development of prior-period health care cost estimates and unfavorable prior-period mortality development.

Health Care Risk includes all medical and dental risk products.

Commercial Risk includes all medical and dental risk products except Medicare and Medicaid.

Days Claims Payable reflects the number of days of health care cost expense contained in Health Care Costs Payable, associated with risk plans and is calculated based on actual number of days in each respective period.

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

Risk includes all medical and dental products for which the Company assumes all or a majority of health care cost, utilization or other risk.

Administrative Services Contracts ("ASC") include all medical, dental and disability products offered on an employer-funded basis. Under employer-funded plans, the plan sponsor, not the Company, assumes all or a majority of health care cost, utilization or other risk.

Commercial includes HMO, POS, PPO and Indemnity products.