

AETNA AT A GLANCE

Aetna reported a first quarter 2001 operating loss, excluding an other item,¹ of (\$36.6) million or (\$0.26) per share, compared to operating earnings from continuing operations of \$86.2 million or \$0.61 per share in the first quarter of 2000. Cash operating earnings per share, excluding the other item, was \$0.34, for the first quarter 2001 compared to \$1.23 per share for the prior year quarter.

Aetna repurchased 2.6 million shares in the first quarter 2001.

Health Care

Operating earnings (before goodwill amortization and other item(s)) of \$13.7 million decreased 91.3% quarter over quarter and decreased 84.7% sequentially.

Revenue of \$5.6 billion decreased 7.1% quarter over quarter and decreased 5.3% sequentially.

Operating expenses as a percent of revenue of 18.9% were level quarter over quarter and sequentially.

Operating margin (pretax)² of 0.4% decreased 360 basis points quarter over quarter and decreased 200 basis points sequentially.

Health Care Costs Payable of \$3.1 billion decreased \$8.1 million quarter over quarter and decreased \$87.1 million sequentially.

Premiums

Commercial Risk³ premium of \$4.5 billion increased 4.1% quarter over quarter and increased 2.0% sequentially.

Commercial HMO³ premium of \$3.6 billion increased 3.2% quarter over quarter and increased 1.8% sequentially.

Medicare HMO premium (continuing markets) of \$506.2 million decreased 3.8% quarter over quarter and increased 2.8% sequentially.

Medical Cost Ratios

Commercial Risk MCR of 89.2% increased 560 basis points quarter over quarter and increased 350 basis points sequentially.

Commercial HMO MCR of 90.0% increased 620 basis points quarter over quarter and increased 280 basis points sequentially.

Medicare HMO MCR (continuing markets) of 93.7% increased 370 basis points quarter over quarter and increased 190 basis points sequentially.

Health Risk

Health Risk operating results (before goodwill amortization and other item(s)) of (\$18.1) million decreased \$124.1 million quarter over quarter and decreased \$72.4 million sequentially.

Health Risk operating expenses as a percent of revenue of 12.4% decreased 50 basis points quarter over quarter and decreased 50 basis points sequentially.

Commercial Risk operating expenses as a percent of revenue of 13.4% decreased 130 basis points quarter over quarter and decreased 100 basis points sequentially.

Health Risk operating margin (pretax) of (0.5%) decreased 350 basis points quarter over quarter and decreased 210 basis points sequentially.

Days Claims Payable⁴ of 60.3 days increased 0.8 days quarter over quarter and decreased 2.0 days sequentially.

Health Non-Risk

Health Non-Risk earnings (before goodwill amortization) of \$31.8 million decreased 37.2% quarter over quarter and decreased 10.4% sequentially.

Health Non-Risk operating expenses as a percent of revenue of 89.9% increased 490 basis points quarter over quarter and increased 110 basis points sequentially.

Health Non-Risk operating margin (pretax) of 10.1% decreased 490 basis points quarter over quarter and decreased 110 basis points sequentially.

Group Insurance

Operating earnings of \$45.2 million decreased 2.2% quarter over quarter and decreased 4.0% sequentially.
Revenue of \$439.5 million increased 3.6% quarter over quarter and increased 2.7% sequentially.
Operating expenses as a percent of revenue of 9.6% increased 70 basis points quarter over quarter and were level sequentially.
Operating margin (pretax) of 15.4% decreased 100 basis points quarter over quarter and decreased 150 basis points sequentially.
Group Insurance Cost Ratio (benefits/premiums) of 95.9% increased 140 basis points quarter over quarter and increased 490 basis points sequentially.

Large Case Pensions

Operating earnings of \$10.6 million decreased 36.1% quarter over quarter and decreased 30.7% sequentially.
Total Assets Under Management⁵ of \$23.1 billion decreased 10.8% quarter over quarter and decreased 2.9% sequentially.

Corporate Interest Expense

Interest expense of \$19.7 million decreased 56.0% quarter over quarter and decreased 46.8% sequentially.

Membership - Health Care, Group Insurance, and Dental

Health Care membership of 18.3 million decreased 6.5% quarter over quarter and decreased 5.2% sequentially.
Health Risk membership of 9.2 million decreased 9.2% quarter over quarter and decreased 7.3% sequentially.
Health Non-Risk membership of 9.1 million decreased 3.5% quarter over quarter and decreased 3.1% sequentially.
Group Insurance membership of 11.5 million increased 0.4% quarter over quarter and decreased 1.4% sequentially.
Group Life membership of 9.2 million increased 1.8% quarter over quarter and decreased 2.7% sequentially.
Disability membership of 2.2 million decreased 5.3% quarter over quarter and increased 3.9% sequentially.
Long-Term Care membership of 127 thousand increased 15.5% quarter over quarter and increased 11.4% sequentially.
Dental membership of 14.2 million decreased 1.4% quarter over quarter and decreased 0.4% sequentially.
Dental Risk membership of 6.2 million decreased 1.7% quarter over quarter and increased 0.8% sequentially.
Dental Non-Risk membership of 8.0 million decreased 1.3% quarter over quarter and decreased 1.3% sequentially.

¹ Operating results exclude net realized capital gains and/or losses. First quarter 2001 operating results exclude \$34.3 million after tax of prior period medical costs, recorded in the first quarter 2001, related to Medicare markets the Company exited effective January 1, 2001. There were no other item(s) in the first quarter of 2000. Fourth quarter 2000 operating results exclude: a \$238.3 million after-tax charge related to the write-off of goodwill primarily associated with the company's exiting of certain Medicare markets; a \$92.6 million after-tax severance charge related to the strategic actions announced in December 2000; and \$51.0 million of after-tax costs, including approximately \$38 million change-in-control related costs and \$13 million in severance actions in the fourth quarter that occurred prior to the announced severance charge. The change-in-control costs resulted from the spin-off of Aetna to shareholders on December 13, 2000 as part of the transaction with ING Groep N.V. Calculations of all results and ratios contained in this analysis exclude applicable other item(s).

² Pretax operating margin is calculated by dividing pretax operating earnings excluding other items, interest expense, and goodwill/intangibles amortization by total revenue, excluding net realized capital gains or losses.

³ Commercial Risk includes all medical and dental risk products except Medicare and Medicaid. Commercial HMO includes all medical HMO products except Medicare and Medicaid.

⁴ Days Claims Payable reflects the number of days of medical costs expense contained in Health Care Costs Payable, including the other item, and associated with costs for all risk plans and is calculated based on actual number of days in each respective period.

⁵ Assets Under Management as of March 31, 2001, March 31, 2000 and December 31, 2000, exclude net unrealized capital gains (losses) of \$210.5 million, (\$149.9) million, and \$108.1 million respectively.

Earnings Summary
Operating Earnings (Losses)
Excluding Other Item (1)
(Millions, except share and per common share data)

	3 Months Ended March 31,		% Change
	2001	2000	
Continuing operations			
Health Care	\$ (72.7)	\$ 68.2	-
Group Insurance	45.2	46.2	(2.2)
Large Case Pensions	10.6	16.6	(36.1)
Corporate Interest	(19.7)	(44.8)	56.0
Operating earnings (losses) from continuing operations	\$ (36.6)	\$ 86.2	(142.5)
Weighted average common shares and common share equivalents (2)(3)	<u>143,375,253</u>	<u>142,095,427</u>	
Operating earnings (losses) from continuing operations per common share			
Excluding other item	<u>\$ (0.26)</u>	<u>\$.61</u>	(142.6)
Including other item	<u>\$ (0.49)</u>	<u>\$.61</u>	(180.3)
Net Income (Loss) (Millions)			
Operating earnings (losses) from continuing operations	\$ (36.6)	\$ 86.2	(142.5)
Other Item:			
Unfavorable reserve runoff - exited Medicare markets	<u>(34.3)</u>	<u>-</u>	-
Operating earnings (losses) from continuing operations including other item	<u>(70.9)</u>	<u>86.2</u>	<u>(182.3)</u>
Net realized capital gains (losses)	<u>22.2</u>	<u>(10.8)</u>	-
Income (loss) from continuing operations before cumulative effect adjustment	<u>(48.7)</u>	<u>75.4</u>	<u>(164.6)</u>
Cumulative effect adjustment, net of tax (4)	<u>0.5</u>	<u>-</u>	-
Income (loss) from continuing operations	<u>(48.2)</u>	<u>75.4</u>	<u>(163.9)</u>
Income from discontinued operations, net of tax	<u>-</u>	<u>94.6</u>	<u>(100.0)</u>
Net income (loss)	<u>\$ (48.2)</u>	<u>\$ 170.0</u>	<u>(128.4)</u>

Note: Prior to December 13, 2000, the Company (formerly Aetna U.S. Healthcare, Inc.) was a subsidiary of a Connecticut corporation named Aetna Inc. ("former Aetna"). On December 13, 2000, former Aetna spun off the Company to shareholders. As part of the same transaction, the remaining entity, which contained former Aetna's financial services and international businesses, was merged into a subsidiary of ING Groep N.V. ("ING"). The financial services and international businesses are reflected as discontinued operations, since the Company is the successor of former Aetna for accounting purposes.

- (1) Operating earnings exclude net realized capital gains or losses and other item. The other item for the three months ended March 31, 2001, is a \$34.3 million after-tax unfavorable reserve runoff in the Health Care segment, related to Medicare markets the Company exited January 1, 2001.
- (2) During the three months ended March 31, 2001, the Company repurchased 2,600,000 common shares.
- (3) For EPS calculations where a loss exists, no potential common share equivalents were considered, as inclusion of such equivalents would be anti-dilutive.
- (4) Cumulative effect adjustment relates to the adoption of a new accounting standard, *Accounting for Derivative Instruments and Hedging Activities* (FAS No. 133).

Consolidating Statements of Net Income (Loss) by Segment
(Millions)

	Health Care	Group Insurance	Large Case Pensions	Corporate Interest	Consolidated
Three Months Ended March 31, 2001					
Continuing operations					
Revenue:					
Premiums	\$ 5,067.7	\$ 343.4	\$ 91.3	\$ -	\$ 5,502.4
Administrative services only fees	458.1	8.5	-	-	466.6
Net investment income	108.0	86.6	216.4	-	411.0
Other income	6.2	1.0	7.0	-	14.2
Total revenue, excluding net realized capital gains (losses)	<u>5,640.0</u>	<u>439.5</u>	<u>314.7</u>	<u>-</u>	<u>6,394.2</u>
Benefits and expenses:					
Health care costs	4,551.5	-	-	-	4,551.5
Current and future benefits	-	329.3	292.0	-	621.3
Operating expenses	1,065.5	42.3	6.4	-	1,114.2
Interest expense	-	-	-	30.3	30.3
Amortization of goodwill and other acquired intangible assets	107.2	-	-	-	107.2
Total benefits and expenses	<u>5,724.2</u>	<u>371.6</u>	<u>298.4</u>	<u>30.3</u>	<u>6,424.5</u>
Operating earnings (losses), excluding income taxes (benefits), other item and cumulative effect adjustment	(84.2)	67.9	16.3	(30.3)	(30.3)
Income taxes (benefits)	(11.5)	22.7	5.7	(10.6)	6.3
Operating earnings (losses), excluding other item and cumulative effect adjustment	<u>(72.7)</u>	<u>45.2</u>	<u>10.6</u>	<u>(19.7)</u>	<u>(36.6)</u>
Unfavorable reserve runoff - exited Medicare markets	(34.3)	-	-	-	(34.3)
Operating earnings (losses), excluding cumulative effect adjustment	<u>(107.0)</u>	<u>45.2</u>	<u>10.6</u>	<u>(19.7)</u>	<u>(70.9)</u>
Net realized capital gains (losses), net of tax	14.8	8.2	(.8)	-	22.2
Cumulative effect adjustment, net of tax	.5	-	-	-	.5
Net income (loss)	<u>\$ (91.7)</u>	<u>\$ 53.4</u>	<u>\$ 9.8</u>	<u>\$ (19.7)</u>	<u>\$ (48.2)</u>
Pretax Operating Margin	0.4%	15.4%	5.2%	N/A	1.7%
After-tax Operating Margin	0.2%	10.3%	3.4%	N/A	1.1%
Three Months Ended March 31, 2000					
Continuing operations					
Revenue:					
Premiums	\$ 5,459.4	\$ 335.3	\$ 40.7	\$ -	\$ 5,835.4
Administrative services only fees	489.8	9.2	-	-	499.0
Net investment income	103.8	78.8	244.5	-	427.1
Other income	16.4	1.0	6.6	-	24.0
Total revenue, excluding net realized capital gains (losses)	<u>6,069.4</u>	<u>424.3</u>	<u>291.8</u>	<u>-</u>	<u>6,785.5</u>
Benefits and expenses:					
Health care costs	4,674.8	-	-	-	4,674.8
Current and future benefits	-	316.7	257.7	-	574.4
Operating expenses	1,149.8	37.9	6.5	-	1,194.2
Interest expense	-	-	-	68.9	68.9
Amortization of goodwill and other acquired intangible assets	109.2	-	-	-	109.2
Total benefits and expenses	<u>5,933.8</u>	<u>354.6</u>	<u>264.2</u>	<u>68.9</u>	<u>6,621.5</u>
Operating earnings (losses) from continuing operations, excluding income taxes (benefits)	135.6	69.7	27.6	(68.9)	164.0
Income taxes (benefits)	67.4	23.5	11.0	(24.1)	77.8
Operating earnings (losses) from continuing operations	<u>68.2</u>	<u>46.2</u>	<u>16.6</u>	<u>(44.8)</u>	<u>86.2</u>
Net realized capital gains (losses), net of tax	(6.9)	(4.7)	.8	-	(10.8)
Income (loss) from continuing operations	<u>\$ 61.3</u>	<u>\$ 41.5</u>	<u>\$ 17.4</u>	<u>\$ (44.8)</u>	<u>\$ 75.4</u>
Pretax Operating Margin	4.0%	16.4%	9.5%	N/A	5.0%
After-tax Operating Margin	2.6%	10.9%	5.7%	N/A	3.2%

Health Care
Statements of Income
(Millions)

	3 Months Ended March 31, 2001			3 Months Ended March 31, 2000			% Change
	Risk (1) (3)	Nonrisk (2) (4)	Total	Risk (1) (3)	Nonrisk (2) (4)	Total	
Revenue:							
Premiums	\$ 5,067.7	\$ -	\$ 5,067.7	\$ 5,459.4	\$ -	\$ 5,459.4	(7.2)
Administrative services only fees	-	458.1	458.1	-	489.8	489.8	(6.5)
Net investment income	99.2	8.8	108.0	94.5	9.3	103.8	4.0
Other income	2.0	4.2	6.2	4.8	11.6	16.4	(62.2)
Total revenue, excluding net realized capital gains (losses)	5,168.9	471.1	5,640.0	5,558.7	510.7	6,069.4	(7.1)
Benefits and expenses:							
Health care costs	4,551.5	-	4,551.5	4,674.8	-	4,674.8	(2.6)
Operating expenses	641.9	423.6	1,065.5	715.8	434.0	1,149.8	(7.3)
Total benefits and expenses, excluding income taxes (benefits), amortization of goodwill and other acquired intangible assets and other item	5,193.4	423.6	5,617.0	5,390.6	434.0	5,824.6	(3.6)
Operating earnings (loss) excluding income taxes (benefits), amortization of goodwill and other acquired intangible assets and other item	(24.5)	47.5	23.0	168.1	76.7	244.8	(90.6)
Income taxes (benefits)	(6.4)	15.7	9.3	62.1	26.1	88.2	(89.5)
Operating earnings (loss) excluding amortization of goodwill and other acquired intangible assets and other item	\$ (18.1)	\$ 31.8	13.7	\$ 106.0	\$ 50.6	156.6	(91.3)
Amortization of goodwill and other acquired intangible assets, net of tax			(86.4)			(88.4)	
Operating earnings (loss) excluding other item			(72.7)			68.2	
Other Item, net of tax:							
Unfavorable reserve runoff - exited Medicare markets			(34.3)			-	
Operating earnings (loss)			\$ (107.0)			\$ 68.2	

- (1) Risk includes all medical and dental products for which the Company assumes all or a majority of health care cost, utilization, mortality, morbidity, or other risk (HMO, POS, PPO, Indemnity).
- (2) Nonrisk includes all medical and dental products offered on an employer-funded basis (Administrative Services Only "ASO"). Under the employer-funded plans, the plan sponsor, and not the Company, assumes all or a majority of these risks.
- (3) For the three months ended March 31, 2001, the Company recorded a net \$3.1 million after-tax (\$8.0 million after-tax for the three months ended March 31, 2000) benefit relating to recoveries under a reinsurance agreement with Prudential Insurance Company of America (Prudential), recognition of a portion of the reinsurance premium paid (2000 period only) and the net amortization of amounts established as part of the PHC accounting. The reinsurance agreement ended on December 31, 2000, except that the agreement provides for a period of time during which medical cost reimbursements (as calculated in accordance with the agreement) will be finalized, which is expected to be completed by the end of 2001.
- (4) For the three months ended March 31, 2001, the Company recorded supplemental fees of \$8 million after-tax (\$31.1 million after-tax for the three months ended March 31, 2000) for servicing Prudential ASO business, including amortization of amounts established as part of the PHC purchase accounting.

Health Care and Group Insurance Enrollment and Growth Statistics
(Thousands)

Products:	March 31, 2001			March 31, 2000 (2)			Risk % Change	Total % Change	December 31, 2000 (2)			Risk % Change	Total % Change
	Risk	Nonrisk	Total	Risk	Nonrisk	Total			Risk	Nonrisk	Total		
Commercial													
HMO (1) (2)	7,428	1,062	8,490	7,944	863	8,807	(6.5)	(3.6)	7,778	869	8,647	(4.5)	(1.8)
POS	201	2,974	3,175	334	3,413	3,747	(39.8)	(15.3)	341	3,397	3,738	(41.1)	(15.1)
PPO (2)	938	3,183	4,121	822	3,064	3,886	14.1	6.0	905	3,100	4,005	3.6	2.9
Indemnity (2)	238	1,778	2,016	255	2,022	2,277	(6.7)	(11.5)	243	1,930	2,173	(2.1)	(7.2)
Total Commercial Membership	8,805	8,997	17,802	9,355	9,362	18,717	(5.9)	(4.9)	9,267	9,296	18,563	(5.0)	(4.1)
Medicare HMO	283	-	283	676	-	676	(58.1)	(58.1)	549	-	549	(48.5)	(48.5)
Medicaid HMO (2)	136	103	239	125	72	197	8.8	21.3	131	94	225	3.8	6.2
Total Health Care Membership	9,224	9,100	18,324	10,156	9,434	19,590	(9.2)	(6.5)	9,947	9,390	19,337	(7.3)	(5.2)
Dental (2)	6,186	8,007	14,193	6,290	8,110	14,400	(1.7)	(1.4)	6,137	8,114	14,251	0.8	(0.4)
Group Insurance													
Group Life			9,165			9,006		1.8			9,421		(2.7)
Disability			2,232			2,358		(5.3)			2,149		3.9
Long-Term Care			127			110		15.5			114		11.4
Total Group Insurance			11,524			11,474		0.4			11,684		(1.4)

Regions :	March 31, 2001			March 31, 2000			Risk % Change	Total % Change	December 31, 2000			Risk % Change	Total % Change
	Risk	Nonrisk	Total	Risk	Nonrisk	Total			Risk	Nonrisk	Total		
Northeast	1,374	759	2,133	1,496	817	2,313	(8.2)	(7.8)	1,485	788	2,273	(7.5)	(6.2)
Mid-Atlantic	1,793	1,407	3,200	2,014	1,461	3,475	(11.0)	(7.9)	1,947	1,434	3,381	(7.9)	(5.4)
Capitol	650	947	1,597	792	976	1,768	(17.9)	(9.7)	730	1,008	1,738	(11.0)	(8.1)
Southeast	1,243	1,089	2,332	1,423	1,215	2,638	(12.6)	(11.6)	1,357	1,133	2,490	(8.4)	(6.3)
Mid-West	898	1,863	2,761	1,043	1,890	2,933	(13.9)	(5.9)	1,013	1,892	2,905	(11.4)	(5.0)
West Central	1,736	1,748	3,484	1,782	1,879	3,661	(2.6)	(4.8)	1,773	1,912	3,685	(2.1)	(5.5)
West	1,464	1,287	2,751	1,562	1,196	2,758	(6.3)	(0.3)	1,579	1,223	2,802	(7.3)	(1.8)
Other (2)	66	-	66	44	-	44	50.0	50.0	63	-	63	4.8	4.8
Total Health Membership	9,224	9,100	18,324	10,156	9,434	19,590	(9.2)	(6.5)	9,947	9,390	19,337	(7.3)	(5.2)

(1) At March 31, 2001, Commercial HMO includes 1,826 thousand POS members who access primary care physicians and referred care through an HMO network. There were 1,892 thousand such members at December 31, 2000 and 2,006 thousand at March 31, 2000.

(2) Membership for prior periods has been restated to include Aetna Global Benefits (which was previously part of former Aetna) and certain reclassifications have been made to conform to the 2001 presentation.

**Health Care
Financial Statistics
Financial Statement Basis
(Dollars in Millions)**

	3 Months Ended				
	March 2001	March 2000	December 2000	Change March 2001 - March 2000	Change March 2001 - December 2000
<u>Premiums (1)</u>					
Commercial Risk	\$ 4,505.8	\$ 4,327.1	\$ 4,417.6	4.1 %	2.0 %
Commercial HMO	\$ 3,628.7	\$ 3,516.3	\$ 3,564.5	3.2 %	1.8 %
Medicare HMO - All Markets	\$ 506.2	\$ 1,081.6	\$ 909.7	(53.2) %	(44.4) %
Medicare HMO - Continuing Markets	\$ 506.2	\$ 526.3	\$ 492.3	(3.8) %	2.8 %
 <u>Medical Cost Ratios (1)</u>					
Commercial Risk	89.2 %	83.6 %	85.7 %	5.6 pts.	3.5 pts.
Commercial HMO	90.0 %	83.8 %	87.2 %	6.2 pts.	2.8 pts.
Medicare HMO - All Markets	104.1 %	94.3 %	97.5 %	9.8 pts.	6.6 pts.
Medicare HMO - Continuing Markets	93.7 %	90.0 %	91.8 %	3.7 pts.	1.9 pts.
 <u>Operating Expenses as % of Revenue (2)</u>					
Commercial Risk	13.4 %	14.7 %	14.4 %	(1.3) pts.	(1.0) pts.
Total Health Care	18.9 %	18.9 %	18.9 %	0.0 pts.	0.0 pts.
 <u>Health Care Costs payable</u>					
	\$ 3,084.0	\$ 3,092.1	\$ 3,171.1		
 <u>Days Claims payable (3)</u>					
	60.3	59.5	62.3		

- (1) Commercial Risk includes all medical and dental risk products except Medicare and Medicaid. Commercial HMO includes all medical HMO products except Medicare and Medicaid.
- (2) Operating Expenses as a % of Revenue excludes other items. Total Health Care Operating Expenses as a % of Revenue includes risk and non-risk product groups.
- (3) Days Claims Payable reflects the number of days of medical cost expense contained in health care costs payable, including the other item, and associated with costs for all risk plans and is calculated based on actual number of days in each respective period.

Consolidated Balance Sheet

(Millions)

	March 31,	December 31,		March 31,	December 31,
	2001	2000 (1)		2001	2000 (1)
Assets			Liabilities		
Current assets:			Current liabilities:		
Cash and cash equivalents	\$ 1,818.8	\$ 1,943.8	Health care costs payable	\$ 3,084.0	\$ 3,171.1
Investment securities	14,330.7	14,017.5	Future policy benefits	785.1	832.0
Other investments	131.4	374.6	Unpaid claims	542.4	528.2
Premiums receivable, net	825.6	838.6	Unearned premiums	327.2	274.7
Other receivables, net	571.0	735.8	Policyholders' funds	1,161.7	1,089.0
Accrued investment income	260.2	260.3	Collateral payable under securities loan agreements	711.9	596.8
Collateral received under securities loan agreements	711.9	596.8	Short-term debt	888.8	1,592.2
Loaned securities	696.8	584.1	Income taxes payable	298.4	297.8
Deferred income taxes	147.8	112.3	Deferred income taxes	32.4	-
Other assets	323.4	303.7	Accrued expenses and other liabilities	1,542.9	1,621.6
Total current assets	<u>19,817.6</u>	<u>19,767.5</u>	Total current liabilities	<u>9,374.8</u>	<u>10,003.4</u>
Long-term investments	1,455.5	1,344.3	Future policy benefits	8,583.6	8,684.8
Mortgage loans	1,831.3	1,826.6	Unpaid claims	1,238.9	1,211.6
Investment real estate	324.0	319.2	Policyholders' funds	2,558.1	2,649.6
Reinsurance recoverables	1,293.0	1,318.5	Long-term debt	894.9	-
Goodwill and other acquired intangible assets, net	7,596.2	7,703.4	Other liabilities	329.7	416.7
Property and equipment, net	377.4	390.0	Separate Accounts liabilities	13,855.4	14,352.5
Deferred income taxes	272.1	295.0	Total liabilities	<u>36,835.4</u>	<u>37,318.6</u>
Other assets	130.8	128.7	Shareholders' Equity		
Separate Accounts assets	<u>13,855.4</u>	<u>14,352.5</u>	Common stock and additional paid-in capital	3,859.9	3,898.7
Total assets	<u>\$ 46,953.3</u>	<u>\$ 47,445.7</u>	Accumulated other comprehensive income (2)	112.9	35.1
			Retained earnings	6,145.1	6,193.3
			Total shareholders' equity	<u>10,117.9</u>	<u>10,127.1</u>
			Total liabilities and shareholders' equity	<u>\$ 46,953.3</u>	<u>\$ 47,445.7</u>

(1) Certain reclassifications have been made to the 2000 financial information to conform to the 2001 presentation.

(2) Includes net unrealized capital gains related to FAS No. 115 of \$111.5 million and \$29.4 million at March 31, 2001 and December 31, 2000, respectively.

Combining Balance Sheet
March 31, 2001
(Millions)

	Health Care and Group Insurance	Large Case Pensions	Total		Health Care and Group Insurance	Large Case Pensions	Total
Assets				Liabilities			
Current assets:				Current liabilities:			
Cash and cash equivalents	\$ 1,617.8	\$ 201.0	\$ 1,818.8	Health care costs payable	\$ 3,084.0	\$ -	\$ 3,084.0
Investment securities	6,631.9	7,698.8	14,330.7	Future policy benefits	89.1	696.0	785.1
Other investments	50.2	81.2	131.4	Unpaid claims	540.6	1.8	542.4
Premiums receivable, net	825.6	-	825.6	Unearned premiums	318.4	8.8	327.2
Other receivables, net	431.8	139.2	571.0	Policyholders' funds	199.1	962.6	1,161.7
Accrued investment income	105.9	154.3	260.2	Collateral payable under securities loan agreements	542.4	169.5	711.9
Collateral received under securities loan agreements	542.4	169.5	711.9	Short-term debt	888.8	-	888.8
Loaned securities	531.3	165.5	696.8	Income taxes payable	271.5	26.9	298.4
Deferred income taxes	147.8	-	147.8	Deferred income taxes	4.2	28.2	32.4
Other assets	315.7	7.7	323.4	Accrued expenses and other liabilities	1,222.0	320.9	1,542.9
Total current assets	11,200.4	8,617.2	19,817.6	Total current liabilities	7,160.1	2,214.7	9,374.8
Long-term investments	837.5	618.0	1,455.5	Future policy benefits	1,702.9	6,880.7	8,583.6
Mortgage loans	484.5	1,346.8	1,831.3	Unpaid claims	1,238.9	-	1,238.9
Investment real estate	146.3	177.7	324.0	Policyholders' funds	712.6	1,845.5	2,558.1
Reinsurance recoverables	1,270.1	22.9	1,293.0	Long-term debt	894.9	-	894.9
Goodwill and other acquired intangible assets, net	7,596.2	-	7,596.2	Other liabilities	329.7	-	329.7
Property and equipment, net	138.4	239.0	377.4	Separate Accounts liabilities	12.3	13,843.1	13,855.4
Deferred income taxes	85.9	186.2	272.1	Total liabilities	12,051.4	24,784.0	36,835.4
Other assets	130.8	-	130.8				
Separate Accounts assets	12.3	13,843.1	13,855.4	Equity			
				Total equity	9,851.0	266.9	10,117.9
Total assets	\$ 21,902.4	\$ 25,050.9	\$ 46,953.3	Total liabilities and equity	\$ 21,902.4	\$ 25,050.9	\$ 46,953.3

